

DIRECTORS' REPORT

To
The Members,

The Directors of your Company are pleased to present the Fifth Annual Report together with the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2018.

1. FINANCIAL HIGHLIGHTS

The working results of the Company for the year under review are as under:

(Rupees in Crores)

| | | Year ended 31.03.2018 | Year ended 31.03.2017 |
|------------|---|----------------------------------|----------------------------------|
| (A) | PROFITABILITY | | |
| 1 | Gross Total Revenue | 269.48 | 198.21 |
| 2 | Total Expenses | 371.89 | 310.95 |
| 3 | Exceptional/Extra-ordinary items | - | - |
| 4 | Profit / (Loss) before Tax | (102.41) | (112.74) |
| 5 | Profit/ (Loss) after Tax | (102.41) | (112.74) |
| 6 | Total Comprehensive Income | (102.29) | (112.71) |
| (B) | ASSETS & LIABILITIES | | |
| 1 | Non Current Assets | 921.86 | 806.22 |
| 2 | Current Assets | 67.40 | 70.23 |
| 3 | Total Assets (1+2) | 989.26 | 876.44 |
| 4 | Equity Share Capital | 427.5 | 427.5 |
| 5 | Other Equity | (279.61) | (177.32) |
| 6 | Non Current Liabilities | 525.50 | 480.35 |
| 7 | Current Liabilities | 315.88 | 145.92 |
| 8 | Total Equity & Liabilities (4+5+6+7) | 989.26 | 876.44 |

2. OPERATIONAL PERFORMANCE

The revenue for the Financial Year 2017-18 was Rs. 269 Crores which was higher by 36% over previous year. The Company's earnings before interest, taxes, Depreciation and amortization (EBIDTA) stood at a loss of Rs. 6.49 Crores as compared to the loss of Rs. 21.14 Crores in the previous year. The net loss after taxation and exceptional items was Rs. 102.41 Crores in the current financial year. Your Directors anticipate a positive EBIDTA in the next year.

Jaypee Hospital, Noida established itself as a major Transplant Centre by performing 208 Transplants which includes 148 Kidney Transplants and 60 Liver Transplants. The Key specialties such as Cardiac, Orthopedics, Renal Sciences and Oncology contributed about 50% of the Company's total revenue in the Financial Year 2017-18.

During the period under review, Jaypee Hospital, Noida conducted 382 health talks & camps and 51 Continuing Medical Education (CME) programmes across the country. The number of OPDs at Jaypee Hospital, Noida increased by 26% from 1,35,000 to 1,70,000. The International revenue increased by 65% from Rs. 43 Crore to Rs. 71 Crore over the previous year.

During the year under review, Chitta unit of your Company became operational and IPD operations have been commenced from June, 2017.

3. DIVIDEND

Your Directors express their inability to recommend any dividend for the Financial Year 2017-18 due to non-availability of profits.

4. RESERVES

During the year under review no amount has been transferred to reserves due to non-availability of profits.

5. SHARE CAPITAL

During the year under review, there was no change in Authorized and Paid-up Share Capital of the Company. As at 31st March, 2018, the Authorized Share Capital is Rs. 600,00,00,000/- (Rupees Six Hundred Crore) divided into 60,00,00,000 (Sixty Crore) Equity Shares of Rs. 10/- (Rupees Ten) each.

Paid-up Equity Share Capital of the Company is Rs. 427,50,00,000/- (Four Hundred Twenty Seven Crore Fifty Lac) divided into 42,75,00,000 (Forty Two Crore Seventy Five Lac) Equity Shares of Rs. 10/- (Rupees Ten) each.

6. SUBSIDIARIES/ JOINT VENTURES/ ASSOCIATE COMPANIES

The Company does not have any Subsidiary Companies within the meaning of Section 2(87) of the Companies Act, 2013, Associate Company in terms of Section 2(6) of the Companies Act, 2013 and also does not have any Joint Venture Company.

7. DIRECTORS AND KEY MANAGERIAL PERSONNEL

In terms of provisions of the Companies Act, 2013 and the Articles of Association of the Company, Shri Manoj Gaur, Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment.

During the year under review following changes occurred in the offices of Directors/KMP's of the Company:

| Sl . No. | Name | Designation | Date of Appointment | Date of Resignation |
|-----------------|------------------|--------------------|----------------------------|----------------------------|
| 1. | Ms. Malvika Mall | Company Secretary | 30.07.2015 | 10.06.2017 |
| 2. | Shri Atanu Sen | Director | 28.03.2015 | 13.09.2017 |
| 3. | Ms. Divya Yadav | Company Secretary | 12.12.2017 | - |

7.1 Declaration by Independent Directors

The Company has received necessary declaration from Independent Director under Section 149(7) of the Companies Act, 2013 confirming that he meets the criteria of independence laid down under Section 149(6) of the Companies Act, 2013.

7.2 Performance Evaluation

In terms of the provisions of the Companies Act, 2013, performance evaluation of the Board, its Committees and individual Directors including the Independent Directors was carried out by the Board of Directors on the criteria and framework adopted by the Board.

The Board of Directors evaluated the performance of the Board, as a whole and of its Committees after seeking inputs from the Directors and from the members of the Committee(s) respectively, on the composition and structure, effectiveness of processes, information and functioning, etc. Further, the Board (excluding the Director being evaluated) evaluated the performance of individual directors on criteria such as participation/ contribution at the Board/Committee Meetings; general understanding of the Company's business dynamics etc. The Board noted satisfactory performance of the Directors and its Committees.

In addition to the criteria of evaluation for all Directors, which is common for evaluation of both Independent and Non- executive

Directors, an Independent Director was also evaluated on parameters including, exercise of objective independent judgment in the best interest of Company; ability to contribute and monitor corporate governance practice; and adherence to the code of conduct by Independent Directors. The evaluation for the year under Report has been completed.

8. MEETINGS OF BOARD OF DIRECTORS

The Board of Directors met five times during the Financial Year 2017-18 on 27th May, 2017, 30th June, 2017, 18th September, 2017, 12th December, 2017 and 27th March, 2018.

The intervening gap between the two Board Meetings did not exceed 120 days as prescribed under the Companies Act, 2013.

9. COMMITTEES OF THE BOARD

To provide detailed and necessary assistance in the Company's matters, the Board has constituted committees. The Board has defined a set of guidelines and an established framework for conducting the meetings of the said Committees. These guidelines seek to systematize the decision making process at the meetings in an informed and efficient manner.

I. Audit Committee

A. Constitution

The Audit Committee of the Board of Directors of the Company comprises of Shri Sham Lal Mohan as Chairman; Shri Sunny Gaur and Smt. Rekha Dixit as Members in conformance with the requirements of Section 177 of the Companies Act, 2013. All the members of the Committee have adequate knowledge of financial and accounting matters.

The Audit Committee of the Board of Directors met four times during the Financial Year 2017-18 on 27th May, 2017, 18th September, 2017, 12th December, 2017 and 27th March, 2018.

B. Terms of Reference

Role of the Audit Committee, inter alia, includes the following:

- i. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

- ii. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- iv. Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Act.
 - b) Changes, if any, in accounting policies and practices and reasons for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - d) Significant adjustments made in the financial statements arising out of audit findings.
 - e) Disclosure of any Related Party Transactions.
 - f) Qualifications in the draft audit report.
- v. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- vi. Review and monitor the auditor's independence and performance and effectiveness of audit process;
- vii. Examination of Financial Statements and the Auditors' Report thereon;
- viii. Approval any subsequent modification of transactions of the company with related parties;
- ix. Scrutiny of inter-corporate loans and investments;
- x. Valuation of undertakings or assets of the company, wherever it is necessary;
- xi. Evaluation of internal financial controls and risk management systems;
- xii. Establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed;
- xiii. Formulating the scope, functioning, periodicity and methodology for conducting the internal audit;
- xiv. Discussion with internal auditors of any significant findings and follow-up thereon;
- xv. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern;
- xvi. Reviewing the following information:
 - a) Statement of significant Related Party Transactions (as defined by the Audit Committee), submitted by management;
 - b) Internal audit reports relating to internal control weaknesses; and

- xvii. Carrying out any other function as mentioned in terms of reference of the audit committee.

II. Nomination and Remuneration Committee

A. Constitution

The constitution of the Nomination and Remuneration Committee comprising of Shri Sham Lal Mohan as Chairman; Smt. Rekha Dixit and Shri G.P. Gaur as Members is in conformance with the requirements of Section 178 of the Companies Act, 2013.

The Nomination and Remuneration Committee of the Board of Directors met two times during the Financial Year 2017-18 on 30th June, 2017, and 12th December, 2017.

B. Terms of Reference

Role of the Nomination and Remuneration Committee, inter alia, includes the following:

- i. Identify persons who are qualified to become directors or senior management employees and recommend to the Board their appointment/ removal;
- ii. Evaluate every Director's performance;
- iii. Formulate criteria for determining qualifications, positive attributes and independence of a Director;
- iv. Recommend to the Board a policy relating to remuneration for the Directors, KMPs & other employees;
- v. To approve the extension or continuation of terms of appointment of Independent Directors on the basis of their performance evaluation;
- vi. To recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria;
- vii. Chairman of the Committee or any member authorised by him to attend all General Meetings of the Company;
- viii. To perform such other functions as may be necessary or appropriate for the performance of its duties.

C. Nomination & Remuneration Policy

In terms of Section 178(3) of the Companies Act, 2013 read with Rules framed thereunder, the Board on recommendation of Nomination and Remuneration Committee adopted a Nomination & Remuneration Policy which, inter-alia, enumerates Directors'

appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters as provided therein. The said 'Nomination and Remuneration Policy' is annexed herewith as **Annexure-I** to this Report.

III. Finance Committee

The Finance Committee comprises of Smt. Rekha Dixit as Chairperson; Shri Sunny Gaur and Shri Sham Lal Mohan as Members. Role of the Finance Committee, inter-alia, includes to facilitate the availing of funds requirement from Banks/Financial Institutions /Companies/other persons/firms and body corporate within the overall limit sanctioned by the Shareholders.

10. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, your Directors confirm that:

- a) in the preparation of the annual accounts for the Financial Year ended 31st March, 2018, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the Financial Year ended 31st March, 2018 and the profit and loss of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a 'going concern' basis;
- e) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively and the same are being strengthened on continuous basis from time to time.

11. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review, your Company has not given any loans, guarantees or provided any security or made any investment in terms of the provisions of Section 186 of the Companies Act, 2013.

12. RELATED PARTY TRANSACTIONS

The Audit Committee and the Board of Directors have approved the Related Party Transactions Policy and all the related party transactions have been entered in accordance thereof and were in the ordinary course of business and at arm's length. Form AOC- 2, pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, is annexed as **Annexure-II** to this Report.

Disclosure of transactions with related parties for which omnibus approval was granted and which are required to be disclosed in terms of IndAS 24 is set out in Note No. 37 of the Financial Statements.

13. AUDITORS' AND AUDITORS' REPORT

I. Statutory Auditors

M/s. Awatar & Co. (Firm Registration No. 000726N), Chartered Accountants were appointed as Statutory Auditors at the second Annual General Meeting of the Company for a term of five consecutive years and shall hold office till the conclusion of 7th Annual General Meeting to be held in the year 2020 subject to ratification of their appointment at every AGM.

The Board, on recommendation of the Audit Committee ratified the appointment of M/s. Awatar & Co. (Firm Registration No. 000726N), as Statutory Auditors of the Company for the Financial Year 2018-19 in terms of Section 139(2) of the Companies Act, 2013.

M/s. Awatar & Co. have signified their willingness to accept ratification of their appointment and have further have confirmed their eligibility under the Companies Act, 2013 and that they are not disqualified.

The Notes to financial statements referred to in the Auditors' Report are self-explanatory and therefore do not require any further comments. The Auditors' Report on financial statements for the Financial Year ended 31st March, 2018, does not contain any qualification, reservation or adverse remark.

During the year under Report, no frauds were reported by the Auditors under second proviso to Section 143 (12) of the Companies Act, 2013.

II. Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s Anjali Yadav & Associates, Practicing Company Secretary, were appointed as Secretarial Auditor of the Company to conduct Secretarial Audit for the Financial Year 2017-18.

The Secretarial Audit Report for the Financial Year ended 31st March, 2018 is enclosed herewith as **ANNEXURE-III** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

14. INTERNAL FINANCIAL CONTROL

The Company has in place an adequate internal financial control system over financial reporting and such internal financial controls were operating effectively during the year under review, for ensuring orderly and efficient conduct of the business of the Company in all material respects.

15. RISK MANAGEMENT

The Company has put in place a mechanism to identify, assess, monitor and mitigate various risks associated with the business. Risks are analyzed and corrective actions are taken for managing/mitigating them. Major risks identified are systematically discussed at the meeting of the Audit Committee and Board of Directors of the Company has formally framed the Risk Management Policy to identify and assess the key risk areas, monitor and report compliance and effectiveness of the policies and procedures.

16. FIXED DEPOSITS

The Company has neither invited, nor accepted or renewed any fixed deposit during the period under Report in terms of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014.

17. VIGIL MECHANISM

Pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for Directors and employees has been established to report their genuine concerns. The Vigil Mechanism Policy

provides a mechanism for directors and employees of the Company to approach Vigilance Officer/Chairman of the Audit Committee including but not limited to events like breach of Company's code of conduct, business integrity & ethics, wilful negligence, fraud or any other malpractices.

18. CORPORATE SOCIAL RESPONSIBILITY

Since the Company does not fall within the ambit of the provision of Section 135 of the Companies Act, 2013, the Company is not required to formulate a policy on Corporate Social Responsibility during the year under review.

19. EXTRACTS OF THE ANNUAL RETURN

Pursuant to the provisions of Section 134 (3) (a) of the Companies Act, 2013, the extract of Annual Return of the Company in Form No. MGT-9 for the Financial Year ended on 31st March, 2018 is enclosed herewith as **ANNEXURE-IV** to this Report.

20. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo in terms of the provisions of Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is enclosed as **ANNEXURE-V** to this Report.

21. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In terms of Section 197(12) of the Companies Act, 2013 read with Rules 5 (2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing names and other particulars of the employees drawing remuneration in excess of the prescribed limit is annexed as **Annexure-VI** to this Report.

22. MATERIAL CHANGES & COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the financial statements relate and the date of this Report.

23. DISCLOSURE UNDER THE SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

An Internal Complaints Committee (ICC) has been set up by the Company to redress complaints received regarding sexual harassment. No such complaints were received from any employee during the year under review.

24. GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items entered during the year under review:

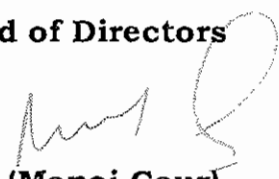
- A. Issue of equity shares with differential rights as to dividend, voting or otherwise.
- B. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- C. The Company has not purchased its own shares.
- D. No significant or material orders were passed by the Regulators or Courts or Tribunals which would impact the going concern status and Company's operations in future.
- E. No frauds were reported to the Audit Committee/Board of directors.

25. ACKNOWLEDGEMENT

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the Financial Institutions, Banks, Government authorities, Customers, Vendors and Members during the year under review. Your Directors also wish to place on record their deep appreciation for the committed efforts made by the Company's executives, staff and workers.

For and on behalf of the Board of Directors

Place: Noida
Date: 04th May, 2018


(Manoj Gaur)
(Chairman)
DIN No.: 00008480

NOMINATION AND REMUNERATION POLICY

Introduction:

A transparent, fair and reasonable process for determining the appropriate remuneration at all levels of the Company is required to ensure that Shareholders remain informed and confident in the management of the Company. To harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013, as amended from time to time this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors. The objective and purpose of this policy are:

- i. To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management, Key Managerial Personnel and other employees and to determine their remuneration.
- ii. To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- iii. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage. In the context of the aforesaid criteria the following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on 31st January, 2015.

Definitions:

- i. **"Board"** means Board of Directors of the Company.
- ii. **"Directors"** means Directors of the Company.
- iii. **"Committee"** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- iv. **"Company"** means **Jaypee Healthcare Limited**.
- v. **"Independent Director"** means a Director referred to in Section 149 (6) of the Companies Act, 2013.
- vi. **"Key Managerial Personnel"** (KMP) means -
 - a. Chief Executive Officer or Managing Director;
 - b. Whole-time Director;

- c. Chief Financial Officer;
- d. Company Secretary;
- e. Such other officers as may be prescribed under the applicable statutory provisions/ regulations.

vii. **"Senior Management"** means personnel of the company who are members of its core management team excluding Board of Directors comprising all member of management one level below the executive directors, including the functional heads. Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

Applicability:

The Policy is applicable to:

- i. Directors (Executive and Non Executive)
- ii. Key Managerial Personnel
- iii. Senior Management Personnel
- iv. Other employees

General:

Part-A covers the matters to be dealt with and recommended by the Committee to the Board.

Part-B covers the appointment and nomination and;

Part-C covers remuneration and perquisites etc.

The key features of this Company's Policy shall be included in the Board's Report.

PART-A

MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERTAIION COMMITTEE

The Committee shall:

- i. Formulate the criteria for determining qualifications, positive attributes and independence of a director.

- ii. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- iii. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

PART-B

POLICY RELATING TO APPOINTMENT AND REMOVAL OF DIRECTOR, KMP, SENIOR MANAGEMENT:

Appointment criteria and qualifications:

- i. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at senior Management level and recommend to the Board his/her appointment.
- ii. A person should possess adequate qualifications, expertise and experiences for the position he/she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/satisfactory for the concerned position.
- iii. The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director who has not attained age of twenty one years and has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of the shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years. The person for the position of Director/Managing Director/whole-time Director should not be disqualified under Section 164 and 196 read with Schedule V of the Companies Act, 2013 and the rules made there under.

Term/Tenure:

i. Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Managing Director or Whole-time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

ii. Independent Director:

- a) An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- b) No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after the expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- c) The Company will enter into a letter of engagement with Independent Directors. This letter of engagement will set out the terms and conditions of the engagement and the performance expectations for the role and remuneration package of that director. The said terms and conditions must be approved by the Board.
- d) At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a Listed Company.

iii. Removal:

Due to reasons of any disqualification mentioned in the Companies Act, 2013 rules made there under or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

iv. Retirement:

The of Director, KMP or Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the of Director, KMP or Senior Management Personnel in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

v. Training:

The Company shall provide suitable training to Independent Directors to familiarize them with the company their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc.

PART-C

POLICY RELATING TO THE REMUNERATION FOR THE MANAGING DIRECTOR, WHOLE-TIME DIRECTOR, KMP, SENIOR MANAGEMENT AND OTHER EMPLOYEES:

General:

- i. The remuneration/compensation/commission etc. to the Managing director/Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration/compensation/commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- ii. The remuneration and commission to be paid to the Managing Director/Whole-time Director shall be in accordance with the percentage/slabs/conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013 and rules made thereunder.
- iii. Increments to the existing remuneration/compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managing Director/Whole-time Director.
- iv. Where any insurance is taken by the Company on behalf of its Managing Director/Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

Remuneration to Managing director/Whole-time Director, KMP and Senior Management Personnel:

i. Fixed Pay:

The Managing director/Whole-time Director, KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendations of the Committee and approved by the Shareholders and Central Government, wherever required.

ii. Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director/Whole-time Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

iii. Provisions for excess remuneration:

If any Managing Director/Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without prior sanction of the Central Government, where required, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

Remuneration to Non Executive/Independent Director:

i. Remuneration/Commission:

The remuneration/commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made there under.

ii. Sitting Fees:

The Non-Executive/Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One (1) Lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time. The sitting fees for Independent

Directors and Women Directors shall not be less than the sitting fee payable to other directors.

iii. Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

Remuneration to other Employees:

Other Employees of the company shall be paid remuneration as per the Company's HR policies. The breakup of the pay scale and quantum of perquisites including employer's contribution to PF, pension scheme, medical expenses, club fees etc. shall be as per the company's HR policy.

ANNEXURE - II**FORM – AOC 2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

A) Details of Contracts or Arrangements or Transactions not at Arm's Length Basis -

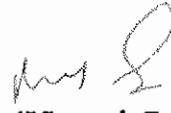
| S.No. | Particulars | Details |
|--------------|---|----------------|
| a) | Name(s) of the related party and nature of relationship | N.A. |
| b) | Nature of Contracts/Arrangements/Transactions | N.A. |
| c) | Duration of the Contracts / Arrangements/ Transactions | N.A. |
| d) | Salient terms of the Contracts or Arrangements or Transactions including the value, if any | N.A. |
| e) | Justification for entering into such Contracts or Arrangements or Transactions | N.A. |
| f) | Date(s) of approval by the Board | N.A. |
| g) | Amount paid as advances, if any: | N.A. |
| h) | Date on which the special resolution was passed in General Meeting as required under first proviso to section 188 | N.A. |

B) Details of Material Contracts or Arrangement or Transactions at Arm's Length Basis –

| S.No. | Particulars | Details |
|--------------|---|----------------|
| a) | Name(s) of the related party and nature of relationship | N.A. |
| b) | Nature of Contracts/Arrangements/Transactions | N.A. |
| c) | Duration of the Contracts / Arrangements / Transactions | N.A. |
| d) | Salient terms of the Contracts or Arrangements or Transactions including the value, if any: | N.A. |
| e) | Date(s) of approval by the Board, if any: | N.A. |
| f) | Amount paid as advances, if any: | N.A. |

For and on behalf of the Board of Directors

Place: Noida
Date: 04th May, 2018


(Manoj Gaur)
(Chairman)
DIN No.: 00008480

Form No. MR-3

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
Jaypee Healthcare Limited
Sector-128
Noida
Uttar Pradesh – 201304

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **JAYPEE HEALTHCARE LIMITED (CIN: U85191UP2012PLC053358)** (“the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (‘the Act’) and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the Rules made there under - **(Not applicable on the Company);**

- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder-
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made under that Act to the extent applicable to Overseas Direct Investment (ODI)-**(Not applicable on the Company)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):- **(Not applicable on the Company)**
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015
- (vi) We further report that after considering the compliance system prevailing in the Company, and after carrying out test checks of the relevant records and documents maintained by the Company, it has complied

with the following other laws that are applicable specifically to the Company:

- (a) Clinical Establishments (Registration and Regulation) Act, 2010
- (b) Indian Medical Council Act, 1956 and Rules and Regulations made thereunder
- (c) The Dentists Act, 1948 and Rules and Regulations made thereunder
- (d) Drugs and Cosmetics Act, 1940 and subsequent Amendments thereof
- (e) Pharmacy Act, 1948 and Rules and Regulations made thereunder
- (f) Narcotics and Psychotropic Substances Act, 1985
- (g) Drugs and Magic Remedies (Objectionable) Advertisements Act, 1954
- (h) The Pre-Natal Diagnostic Techniques (Regulations and Prevention) of Misuse Act, 1994 and Rules and Regulations made thereunder
- (i) Transplantation of Human Organ Act, 1994 and Rules and Regulations made thereunder
- (j) Birth And Death And Marriage Registration Act, 1886 and Rules and Regulations made thereunder
- (k) Registration of Birth and Deaths Act, 1969 and Rules and Regulations made thereunder
- (l) The Epidemic Disease Act, 1897
- (m) Biomedical Waste Management Handling Rules, 2016 and subsequent Amendments thereof
- (n) Indian Boilers Act, 1923 and Rules and Regulations made thereunder
- (o) Gas Cylinder Rules, 2004 and Rules and Regulations made thereunder
- (p) The Radiation Surveillance Procedures for the Medical Application of Radiation, 1989 and Rules and Regulations made thereunder
- (q) Vaccination Act, 1880 and subsequent Amendments thereof

and all other Labour Laws, Rules and Regulations applicable to the Company.

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, subject to the following observations;

1. *The Company has not filed the Form MGT-14 towards appointment of Internal Auditor as required under Section 117 read with Rule 8 of Companies (Meeting of Boards and its powers) Rules, 2014.*

2. *The Company has not filed the Form MGT-14 towards appointment of Company Secretary as required under Section 117 read with Rule 8 of Companies (Meeting of Boards and its powers) Rules, 2014.*
3. *The Company has not filed Two (2) Form CHG-1 towards creation of charge in favour of security trustee namely Vistra ITCL (India) Limited.*
4. *The Company has not filed Form CRA-2 towards appointment of Cost Auditor as required under Section 148(3) of the Companies Act, 2013 read with Rule 6(2) and 6 (3) of the Companies (Cost Records and Audit) Rules, 2014.*

We further report that:

Compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit and the same has been subject to review by the Statutory Auditors and others designated professionals.

Based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, in my opinion, adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance of provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors¹. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

We further report that during the audit period:

The Company Secretary of the company has resigned on 10th June, 2017 and the new Company Secretary has been appointed w.e.f. 12th December, 2017

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this Report.

**For Anjali Yadav & Associates
Practicing Company Secretaries**

**Sd/-
Anjali Yadav
Proprietor**

**FCS No.: 6628
CP No.: 7257**

Place: New Delhi
Date: 4th May, 2018

1. The Ministry of Corporate Affairs has vide its circular no. 09/2017 dated 05th September, 2017 has given exemption to wholly owned subsidiary of an unlisted public companies under the Companies (Appointment and Qualification of Directors) Rules, 2014 from the appointment of Independent director.

Annexure A

To
The Members,
Jaypee Healthcare Limited
Sector-128, Noida,U.P. - 201304

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial and other laws records/compliance is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the Secretarial records. The verification was done on test check basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis of our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test check basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Anjali Yadav& Associates
Practicing Company Secretaries

Anjali Yadav
Proprietor

FCS No.: 6628
CP No.: 7257

Place: New Delhi
Date: 4th May, 2018

ANNEXURE - IV**FORM MGT - 9
EXTRACT OF ANNUAL RETURN**

(As on the Financial Year ended on 31.03.2018)
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

| | | |
|------|---|---|
| i) | CIN | U85191UP2012PLC053358 |
| ii) | Registration Date | 30.10.2012 |
| iii) | Name of the Company | Jaypee Healthcare Limited |
| iv) | Category/ Sub-Category of the Company | Public Limited Company |
| v) | Address of the Registered office and contact details | Sector – 128, Noida- 201304, U.P |
| vi) | Whether Listed Company | No |
| vii) | Name, Address and Contact details of Registrar and Transfer Agent, if any | M/s Alankit Assignments Limited Alankit House, 2E/21, Jhandewalan Extension, New Delhi - 110055 Tel. No.:011-42541234, 23541234 Fax No.:011-42541967 E-mail: info@alankit.com |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

| S.No. | Name and Description of main products/services | NIC Code of the Product/service | % to total turnover of the Company |
|--------------|---|--|---|
| 1. | Health care services | 85110/Hospital Activities | 100% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| S. No | Name and Address of the Company | CIN | Holding / Subsidiary / Associate | % of shares held | Applicable Section |
|-------|---|-----------------------|----------------------------------|------------------|--------------------|
| 1 | Jaypee Infratech Limited Sector-- 128, Noida - 201304 U.P | L45203UP2007PLC033119 | Holding Company | 100% | 2 (46) |

| IV. SHAREHOLDING PATTERN (Equity Share capital breakup as percentage of Total Equity) | | | | | | | | | | |
|---|------------------------------|--|----------|-----------|--|-----------|----------|--------------------------|-------------------|---------|
| (i) Category - Wise Share Holding | | | | | | | | | | |
| CATEGORY CODE | CATEGORY OF SHAREHOLDERS | NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR AS ON 01/04/2017 | | | NO. OF SHARES HELD AT THE END OF THE YEAR AS ON 31/03/2018 | | | % CHANGE DURING THE YEAR | | |
| | | DEMAT | PHYSICAL | TOTAL | % OF TOTAL SHARES | DEMAT | PHYSICAL | TOTAL | % OF TOTAL SHARES | |
| (I) | (II) | (III) | (IV) | (V) | (VI) | (VII) | (VIII) | (IX) | (X) | (XI) |
| (A) | PROMOTERS | | | | | | | | | |
| (1) | INDIAN | | | | | | | | | |
| (a) | Individual /HUF | - | 600 | 600 | 0.00015 | - | 600 | 600 | 0.00015 | NIL |
| (b) | Central Government | - | - | - | - | - | - | - | - | - |
| (c) | State Government(s) | - | - | - | - | - | - | - | - | - |
| (d) | Bodies Corporate | 329500000 | 97999400 | 427499400 | 99.99985 | 329500000 | 97999400 | 427499400 | 99.99985 | NIL |
| (e) | Banks/Financial Institutions | - | - | - | - | - | - | - | - | - |
| (f) | Any Other | - | - | - | - | - | - | - | - | - |
| | Sub-Total A(1) | 329500000 | 98000000 | 427500000 | 100.00 | 329500000 | 98000000 | 427500000 | 100.00 | 0.00000 |
| (2) | FOREIGN | | | | | | | | | |
| (a) | NRIs- Individuals | - | - | - | - | - | - | - | - | - |
| (b) | Other- Individuals | - | - | - | - | - | - | - | - | - |
| (c) | Bodies Corporate | - | - | - | - | - | - | - | - | - |
| (d) | Banks/Financial Institutions | - | - | - | - | - | - | - | - | - |
| (e) | Any other | - | - | - | - | - | - | - | - | - |
| | Sub-Total A(2) | - | - | - | - | - | - | - | - | - |
| | Total A=A(1)+A(2) | 329500000 | 98000000 | 427500000 | 100.00 | 329500000 | 98000000 | 427500000 | 100.00 | 0.00000 |

[illegible]

IV. SHAREHOLDING PATTERN (Equity Share capital breakup as percentage of Total Equity)

(ii) Shareholding of Promoters

| SL. NO. | SHAREHOLDERS' NAME | SHAREHOLDING AT THE BEGINNING OF THE YEAR AS ON 01.04.2017 | | | SHAREHOLDING AT THE END OF THE YEAR AS ON 31.03.2018 | | | % CHANGE DURING THE YEAR |
|---------|--------------------------|--|----------------------------------|---|--|----------------------------------|---|--------------------------|
| | | No. of Shares | % of total shares of the Company | % of shares pledged/ encumbered to total shares | No. of Shares | % of total shares of the Company | % of shares pledged/ encumbered to total shares | |
| (I) | (II) | (III) | (IV) | (V) | (VI) | (VII) | (VIII) | (IX) |
| | A. Body Corporate | | | | | | | |
| 1 | Jaypee Infratech Limited | 427499400 | 99.99985 | - | 427499400 | 99.99985 | - | - |
| | B. Individuals | | | | | | | |
| 2 | Mr. Manoj Gaur* | 100 | 0.00003 | - | 100 | 0.00003 | - | - |
| 3 | Mr. Sunil Kumar Sharma* | 100 | 0.00003 | - | 100 | 0.00003 | - | - |
| 4 | Mr. Suren Jain* | 100 | 0.00003 | - | 100 | 0.00003 | - | - |
| 5 | Mr. Sunny Gaur* | 100 | 0.00003 | - | 100 | 0.00003 | - | - |
| 6 | Mrs. Rekha Dixit* | 100 | 0.00003 | - | 100 | 0.00003 | - | - |
| 7 | Mr. Sachin Gaur* | 100 | 0.00003 | - | 100 | 0.00003 | - | - |
| | TOTAL (A+B) | 427500000 | 100 | - | 427500000 | 100 | - | - |

* Beneficiary owner is Jaypee Infratech Limited.

IV. SHAREHOLDING PATTERN (Equity Share capital breakup as percentage of Total Equity)

(iii) Change in Promoters' Shareholding

| SL. NO. | SHAREHOLDERS' NAME | SHAREHOLDING AT THE BEGINNING OF THE YEAR AS ON 01.04.2017 | | CUMULATIVE SHAREHOLDING DURING THE YEAR 2017-2018 | |
|--|--|--|----------------------------------|---|----------------------------------|
| | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| Jaypee Infratech Limited along with 7 individual beneficial interest of shares held by JIL | | | | | |
| 1 | At the beginning of the year | 427500000 | 100 | 427500000 | 100 |
| 2 | Date wise Increase/Decrease in Promoters shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/bonus /sweat equity etc.) | No Change | | No Change | |
| 3 | At the end of the year | 427500000 | 100 | 427500000 | 100 |

| IV. SHAREHOLDING PATTERN (Equity Share capital breakup as percentage of Total Equity) | | | | | |
|---|--|--|---|--|---|
| (iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and holders of GDRs and ADRs) | | | | | |
| Sl. No | For each of the Top 10 Shareholders | Shareholding at the beginning of the Year | | Cumulative Shareholding during the year | |
| | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| | At the beginning of the Year | | | | |
| | Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease | Not Applicable | | | |
| | At the end of the year | | | | |

(v) Shareholding of Directors and Key Managerial Personnel

| Sl. No | For each of the Directors and KMP | Shareholding at the beginning of the Year | | Cumulative Shareholding during the year | |
|---------------|---|--|---|--|---|
| | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| 1 | Shri Manoj Gaur, Chairman | 100* | 0.00004 | 100* | 0.00003 |
| 2 | Shri Sunil Kumar Sharma, Director | 100* | 0.00003 | 100* | 0.00003 |
| 3 | Smt. Rekha Dixit, Whole-time Director | 100* | 0.00003 | 100* | 0.00003 |
| 4 | Shri Sunny Gaur, Director | 100* | 0.00003 | 100* | 0.00003 |
| 5 | Shri Sham Lal Mohan, Independent Director | Nil | 0.0000 | Nil | 0.0000 |
| 6 | Shri Atanu Sen, Independent Director | Nil | 0.0000 | Nil | 0.0000 |
| 7 | Shri Malyawant Passi, Chief Financial Officer | Nil | 0.0000 | Nil | 0.0000 |
| 8. | Divya Yadav, Company Secretary | Nil | 0.0000 | Nil | 0.0000 |

* Beneficiary owner is Jaypee Infratech Limited.

| V) INDEBTEDNESS | | | | |
|---|---|------------------------|-----------------|---------------------------|
| Indebtedness of the Company including interest outstanding/accrued but not due for payment | | | | |
| (in lakhs) | | | | |
| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
| Indebtedness at the beginning of the financial year i.e. 01.04.2017 | | | | |
| i) Principal Amount | 4,89,17,23,236 | | | 4,89,17,23,236 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 4,89,17,23,236 | | | 4,89,17,23,236 |
| Change in Indebtedness during the financial year (2017-2018) | | | | |
| Addition | 33,54,05,651 | | | 33,54,05,651 |
| Reduction :- | | | | |
| Principal Repayment | -3,23,83,929 | | | -3,23,83,929 |
| | | | | |
| Net Change | 30,30,21,722 | | | 30,30,21,722 |
| Indebtedness at the end of the financial year i.e. 31.03.2018 | | | | |
| i) Principal Amount | 5,19,47,44,958 | | | 5,19,47,44,958 |
| ii) Interest due but not paid | 2,43,81,284 | - | - | 2,43,81,284 |
| iii) Interest accrued but not due | 4,74,83,821 | - | - | 4,74,83,821 |
| Total (i+ii+iii) | 5,26,66,10,062 | | | 5,26,66,10,062 |

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

(In Rs. p.a.)

| A. Remuneration to Managing Director, Whole-time Directors and/or Manager: | | | | |
|---|---|---|--|--------------------|
| S. No. | Particulars of Remuneration | Name of MD/WTD/Manager | | Total |
| | | Shri Sunny Gaur, Managing Director | Smt. Rekha Dixit**, (Whole-time Director) | |
| | Gross salary | | 1,05,30,000 | 1,05,30,000 |
| 1 | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | N.A. | - | - |
| | (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 | | - | - |
| | (c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961 | | - | - |
| | | | - | - |
| 2 | Stock Option | | - | - |
| 3 | Sweat Equity | | - | - |
| 4 | Commission | | - | - |
| | - as % of profit | | - | - |
| | - others, specify... | | - | - |
| 5 | Others, please specify | | - | - |
| | Total (A) | | 1,05,30,000 | 1,05,30,000 |
| | Ceiling as per the Act | - | - | - |

** Smt. Rekha Dixit was appointment as Whole-Time Director at monthly remuneration of Rs.11,70,000/- w.e.f 01/07/2017

(In Rs.)

| B. Remuneration to other Directors | | | | | | | | |
|------------------------------------|--|--|---------------------|-----------------|-----------------|-------------------------|------------------------|-----------------|
| S. No. | Particulars of Remuneration | Name of Directors | | | | | | Total |
| | | Shri Atanu Sen | Shri Sham Lal Mohan | Shri Manoj Gaur | Shri Sunny Gaur | Shri Sunil Kumar Sharma | Shri Gyan Pralash Gaur | |
| 1 | (a) Fee for attending Board/Committee Meetings by Independent Directors | 40,000 | 1,20,000 | 0 | 0 | 0 | 0 | 1,60,000 |
| | (b) Commission | | | | | | | |
| | (c) Others, please specify | | | | | | | |
| | Total (1) | 40,000 | 1,20,000 | 0 | 0 | 0 | 0 | 1,60,000 |
| 2 | (a) Fee for attending Board/ Committee Meetings by Non-Executive Directors | 0 | 0 | 40,000 | 80,000 | 50,000 | 60,000 | 2,40,000 |
| | Commission | - | - | - | - | - | - | - |
| | Others, please specify | - | - | - | - | - | - | - |
| | Total (2) | 0 | 0 | 40,000 | 80,000 | 50,000 | 60,000 | 2,30,000 |
| | Total (B) = (1+2) | 40,000 | 1,20,000 | 40,000 | 80,000 | 50,000 | 60,000 | 3,90,000 |
| | Total Managerial Remuneration (A+B) | | | | | | | |
| | Overall Ceiling as per the Act | Sitting fee payable to a Director shall not exceed Rs.1, 00,000/- per meeting. | | | | | | |

(In Rs. p.a.)

| C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD | | | | | |
|--|---|---------------------------------|-----------------------------|------------------------|--------------------|
| S. No. | Particulars of Remuneration | Key Managerial Personnel | | | |
| | | CEO | CFO | CS# | Total |
| | | | Shri Malyawant Passi | Ms. Divya Yadav | |
| 1 | Gross salary | - | 66,50,000/- | 1,73,000/- | 68,23,000/- |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | - | - | - | - |
| | (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 | - | - | - | - |
| | (c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961 | - | - | - | - |
| 2 | Stock Option | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - |
| 4 | Commission | - | - | - | - |
| | - as % of profit | - | - | - | - |
| | others, specify... | - | - | - | - |
| 5 | Others, please specify | - | - | - | - |
| | Total | - | 66,50,000/- | 1,73,000/- | 68,23,000/- |

Note:

Ms. Divya Yadav has been appointed as CS w.e.f. 12.12.2017

VII) PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

| Type | Section of the Companies Act | Brief Description | Details of Penalty/ Punishment/ Compounding fees imposed | Authority [RD/NCLT /Court] | Appeal made, if any (give details) |
|-------------------------------------|------------------------------|-------------------|--|----------------------------|------------------------------------|
| A. Company | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| | | | | | |
| B. Directors | | | Not Applicable | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| | | | | | |
| C. Other Officers in default | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company had focused on several initiatives aimed at achieving the twin objectives of reducing costs and being environmentally friendly. Efforts have also been made towards technology absorption, adaptation & innovation.

A. Conservation of Energy:

- a) The building orientation has been designed in a manner that helps to maximize use of day light and to reduce heat gain in order to reduce Energy Consumption. The Glass used in façade is double glazed and is energy efficient-Low emissivity type which helps in reducing solar heat gain coefficient while improving the visibility. Roof glazing has been provided for the internal area of the top three floors so as to receive daylight and reduce lighting load.
- b) Energy efficient Chillers and Pumps have been installed to reduce energy consumption. Variable Frequency Drives (VFDs) have been used in Chillers, critical AHUs and pumps to reduce energy usage. The Chillers have environment friendly R134 a refrigerant to minimize depletion of Ozone Layer. The AHUs are monitored and controlled through Building Management System resulting in reduction in load on Chiller and also its running time. Variable Air Volume (VAVs) devices have been used in some AHUs.
- c) LED lamps and lighting have been installed across the building and the Lighting Power Density of around 0.35 watt/sqft much below the Industry standard. Timer based system has been installed to control operation of street lighting & signage in a phased manner.
- d) Automatic Power Factor Control panels (APFC) have been installed to maintain power factor close to unity.
- e) Solar water heating system has been installed on the terrace resulting in reduction of energy required for hot water and steam requirements.
- f) Provision has been made to reduce consumption of water by utilizing treated waste water through STP for irrigation, for flushing and for making up for Cooling Tower water requirements.

- g) Rain Water Harvesting Pits have been provided to conserve rain water and improve the water table.
- h) Boilers can be run on Natural Gas to reduce stack emission.
- i) Pneumatic Tube System has been installed to transfer samples, reports and medicines from patient areas to lab, pharmacy, nursing stations etc. thus reducing the usages of man movement and lifts.

B. Technology Absorption:

The Company continues to use latest technologies for improving the productivity and quality of its services and products.

C. Foreign Exchange Earnings and Outgo:

| (In Rs.) | | | |
|-----------------|---|-----------------------|-----------------------|
| Sl. No. | Particulars | F.Y. 2017-2018 | F.Y. 2016-2017 |
| a. | Foreign Exchange Earnings | 35,49,51,197 | 17,19,63,033 |
| b. | Value of Import of Capital goods (C.I.F. Value) | 12,82,720 | 2,21,179 |
| c. | Expenditure in Foreign Currency | 45,08,069 | 73,14,442 |

ANNEXURE – VI**STATEMENT OF PARTICULARS OF EMLPLOYEES PURSUANT TO PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014****A. Employed throughout the Financial Year 2017-18 and in receipt of remuneration aggregating Rs. 1,02,00,000/- or more per annum**

NIL

B. Employed for part of the year and in receipt of remuneration aggregating Rs. 8,50,000/- or more per month

| | |
|---|---|
| Name of the employee | Smt. Rekha Dixit |
| Designation of the employee | Whole-Time Director |
| remuneration received | Rs. 11,70,000/- |
| Nature of employment, whether contractual or otherwise | Regular employee |
| Qualifications and experience of the employee | M.A. (English), 17 years of experience |
| Date of commencement of employment | 01.07.2018 |
| Age of such employee | 59 Years |
| The last employment held by such employee before joining the company | Whole-Time Director, Jaypee Infratech Limited |

JAYPEE HEALTHCARE LIMITED

FINANCIAL STATEMENT FOR THE YEAR ENDED 31.03.2018

Registered & Corporate Office
Sector-128
Noida -201304
Dist.Gautam Budh Nagar
www.jaypeehealthcare.com

AWATAR & CO.

CHARTERED ACCOUNTANTS
New Delhi - Alwar

Head Office:

1203, Rohit House
3, Tolstoy Marg
New Delhi - 110 001
Ph.: 23315870
23320537
Fax: 23358544

INDEPENDENT AUDITORS' REPORT

**TO THE MEMBERS OF
JAYPEE HEALTHCARE LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of **JAYPEE HEALTHCARE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 31, 2018, and its loss and its cash flows for the year ended on that date.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule, 2014.
 - (e) On the basis of written representations received from the directors as on 31st March, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **AWATAR & CO.**
Chartered Accountants
Firm Registration No. 000726N

Brijendra Agrawal

Brijendra Agrawal
Partner
Membership No. : 087787



Place : New Delhi
Date : May 4, 2018

ANNEXURE TO AUDITORS' REPORT

(Referred to in paragraph 1 of our report of even date)

- (i) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets.
 - (b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - (c) We have inspected the original title deeds of immovable properties of the Company held as fixed assets which are in the custody of the Company. Based on our audit procedures and the information and explanations received by us, we report that all title deeds of immovable properties of the Company held as fixed assets are held in the name of the Company.
- (ii) In respect of its inventories:
 - (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.
- (iii) According to the information and explanations given by the management, the Company has not granted any loans or advances in the nature of loans (except advances in the ordinary course of business) to companies, limited liability partnerships, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, the requirement of Clause 3(iii) of the Order is not applicable.
- (iv) According to the information and explanations given to us, the Company has no Investments, Loans and Guarantees. Hence, the requirement of Clause 3(iv) of the Order is not applicable.
- (v) Based on our scrutiny of the Company's records and according to the information and explanations provided by the management, in our opinion, the Company has not accepted any loans or deposits which are 'deposits' within the meaning of Rule 2(b) of the Companies (Acceptance of Deposits) Rules, 2014.
- (vi) It has been explained that books of account relating to materials, labour and other items of cost pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 are in the process of being prepared for the year covered under this report.
- (vii) (a) According to the information and explanations given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees state insurance, income tax, sales-tax, wealth tax, service tax, customs duty, value added tax, excise duty, cess and other statutory dues applicable to it. However, there were delays in depositing the dues of provident fund and employee state insurance in some months during the year.

According to the information and explanations given, no undisputed amounts were payable in respect of income tax, sales tax, value added tax, customs duty and excise duty were outstanding as at 31st March, 2018 for a period of more than six months from the date they became payable.



- (b) According to the information and explanations given to us, there were no dues in respect of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess which have not been deposited on account of disputes.
- (viii) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has defaulted in repayment of interest on loans availed from various banks as per the details given below: -

| S. No. | Lender | Period of default | Amount of default (Rs.) |
|--------|---------------------------|-------------------|-------------------------|
| 1 | South Indian Bank | 37 days | 24,24,195 |
| 2 | Oriental Bank of Commerce | 41 days | 47,43,237 |
| 3 | Union Bank of India | 35 days | 75,11,816 |
| 4 | Vijaya Bank | 45 days | 48,71,771 |
| 5 | Exim Bank | 45 days | 48,30,265 |
| Total | | | 2,43,81,284 |

The Company has not issued any debentures.

- (ix) According to the information and explanations received by us, moneys raised by way of term loans have been applied for the purpose for which they were raised. The Company has not raised any moneys by way of Initial Public Offer or Further Public Offer.
- (x) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on the Company by its officers or employees nor any fraud by the Company has been noticed or reported during the course of our audit.
- (xi) Based upon the audit procedures performed and information and explanations given by the management, the Company has not paid/provided managerial remuneration during the year. Hence, the requirements of Clause 3(xi) of the Order is not applicable.
- (xii) In our opinion and to the best of our information and explanations provided by the management, we are of the opinion that the Company is not a nidhi. Hence, the requirement of Clause 3(xii) of the Order do not apply to the Company.
- (xiii) Based upon the audit procedures performed and information and explanations given by the management, we report that all transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) Based upon the audit procedures performed and information and explanations given by the management, we report that the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) Based upon the audit procedures performed and information and explanations given by the management, we report that the Company has not entered into any non-cash transactions with directors or persons connected with them.

For **AWATAR & CO.**
Chartered Accountants
Firm Registration No. 000726N

Brijendra Agrawal

Brijendra Agrawal
Partner
Membership No. : 087787



Place : New Delhi
Date : May 4, 2018

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF JAYPEE HEALTHCARE LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of JAYPEE HEALTHCARE LIMITED ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **AWATAR & CO.**
Chartered Accountants
Firm's Registration No : 000726N

Brijendra Agrawal

BRIJENDRA AGRAWAL
Partner
Membership No.: 087787



Place : New Delhi
Date : May 4, 2018

Jaypee Healthcare Limited
Balance Sheet as at March, 31 2018

| Particulars | Note No | As at March, 31 2018 | As at March, 31 2017 |
|--|---------|------------------------------|------------------------------|
| Assets | | | |
| Non Current Assets | | | |
| Property, plant and equipment | 3 | 7,05,35,23,462 | 6,61,47,21,447 |
| Capital work in progress | 3 | 57,29,34,636 | 1,20,44,56,156 |
| Other intangible assets | 4 | 33,18,715 | 48,54,719 |
| Financial Assets | | | |
| (i) Other financial assets | 5 | 29,55,797 | 21,91,529 |
| Other non current assets | 5 | 1,58,58,66,001 | 23,59,24,398 |
| | | <u>9,21,85,98,611</u> | <u>8,06,21,54,249</u> |
| Current Assets | | | |
| Inventories | 7 | 8,49,71,464 | 10,10,63,255 |
| Financial Assets | | | |
| (i) Trade receivables | 8 | 18,89,55,035 | 11,92,34,696 |
| (ii) Cash and cash equivalents | 9 | 1,96,71,946 | 5,78,71,163 |
| (iii) Bank balance other than (ii) above | 10 | 11,69,01,157 | 12,95,14,016 |
| (iv) Loans | 11 | 12,74,27,037 | 23,29,15,464 |
| (v) Other financial assets | 12 | 12,94,190 | 10,05,977 |
| Current tax assets | | 10,30,84,666 | 4,85,37,420 |
| Other current assets | 13 | 3,17,09,230 | 1,21,44,257 |
| | | <u>67,40,14,724</u> | <u>70,22,86,248</u> |
| Total | | <u>9,89,26,13,335</u> | <u>8,76,44,40,497</u> |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 14 | 4,27,50,00,000 | 4,27,50,00,000 |
| Other equity | 15 | (2,79,61,46,028) | (1,77,32,19,217) |
| | | <u>1,47,88,53,972</u> | <u>2,50,17,80,783</u> |
| Non Current Liabilities | | | |
| Financial Liabilities | | | |
| (i) Borrowings | 16 | 5,09,72,44,958 | 4,73,53,70,181 |
| (ii) Other Financial Liabilities | 17 | 10,49,660 | 9,30,963 |
| Provisions | 18 | 2,43,01,530 | 1,86,83,541 |
| Other non current liability | 19 | 13,23,80,391 | 4,84,73,351 |
| | | <u>5,25,49,76,540</u> | <u>4,80,34,58,036</u> |
| Current Liabilities | | | |
| Financial Liabilities | | | |
| (i) Borrowing | 20 | 49,56,77,601 | 49,13,65,254 |
| (ii) Trade payables | 21 | 76,98,90,930 | 60,10,52,248 |
| (iii) Other financial liabilities | 22 | 1,86,56,50,301 | 29,95,42,925 |
| Provisions | 23 | 12,61,013 | 5,01,095 |
| Other current liabilities | 24 | 2,61,02,978 | 6,67,40,155 |
| | | <u>3,15,87,82,824</u> | <u>1,45,92,01,678</u> |
| Total | | <u>9,89,26,13,335</u> | <u>8,76,44,40,497</u> |

Significant Accounting Policies

1 & 2

For and on behalf of the Board

For Awatar & Co.
Chartered Accountants
Firm Registration No. 060726N

Brijendra Agrawal

(Brijendra Agrawal)
Partner
M. No. 087787

Place: Noida
Dated: 4th May 2018



Manoj Gaur

Manoj Gaur
Chairman
DIN-00008480

Rakha Dixit

Rakha Dixit
Whole-time Director
DIN-00913685

Pooja Yadav

Pooja Yadav
Company Secretary

Sunny Gaur
Managing Director
DIN-00008293

Malyawati Passi

Malyawati Passi
Chief Financial Officer

Jaypee Healthcare Limited

Profit & Loss and Other Comprehensive Income for the period ended 31 March 2018

| Particulars | Note No | For the period ended 31 March 2018 | For the period ended 31 March 2017 |
|--|---------|------------------------------------|------------------------------------|
| Revenue | | | |
| Revenue From Operations | 25 | 2,64,10,75,091 | 1,96,01,52,582 |
| Other Income | 26 | 5,37,29,206 | 2,19,79,993 |
| Total Income | | 2,69,48,04,297 | 1,98,20,82,575 |
| Expenses | | | |
| Cost Of Sales | 27 | 64,60,63,557 | 49,40,50,811 |
| Employee Benefits Expense | 28 | 45,74,49,053 | 40,58,00,779 |
| Finance Costs | 29 | 60,99,63,738 | 56,35,47,733 |
| Depreciation And Amortization Expense | 30 | 34,91,80,703 | 35,24,68,664 |
| Other Expenses | 31 | 1,65,62,27,727 | 1,29,36,35,052 |
| Total expenses | | 3,71,88,84,776 | 3,10,95,03,039 |
| Profit before tax | | (1,02,40,80,479) | (1,12,74,20,464) |
| Tax expense: | | | |
| (1) Current tax | | | |
| (2) Deferred tax | | | |
| Profit (Loss) For the Period | | (1,02,40,80,479) | (1,12,74,20,464) |
| Other Comprehensive Income | | | |
| Items that will not be reclassified to profit or loss | | 11,53,668 | 2,40,339 |
| Income Tax relating to items that will not be reclassified to profit or loss | | | |
| Other Comprehensive Income | | 11,53,668 | 2,40,339 |
| Total Comprehensive Income | | (1,02,29,26,811) | (1,12,71,80,125) |
| Earnings per Equity Share | 32 | | |
| (1) Basic | | (2.39) | (2.64) |
| (2) Diluted | | (2.39) | (2.64) |

Significant Accounting Policies

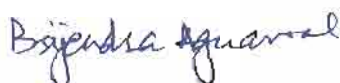
1 & 2

For and on behalf of the Board

For Awatar & Co.
Chartered Accountants
Firm Registration No.000726N


Manoj Gaur
Chairman
DIN-00008480

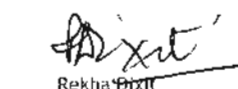
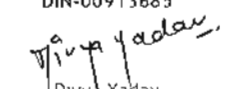

Surin Gaur
Managing Director
DIN-00008293



(Brijendra Agrawal)
Partner
M. No. 087787



Place: Noida
Dated: 4th May 2018


Rekha Dixit
Whole-time Director
DIN-00913685

Divya Yadav
Company Secretary


Matyawant Passi
Chief Financial Officer

Jaypee Healthcare Limited
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

| Cash flow statement | Year ended March, 31 2018 ₹ | Year ended March, 31 2017 ₹ |
|--|-----------------------------------|-----------------------------------|
| A Cash flows from operating activities | | |
| Profit for the year | (1,02,40,80,479) | (1,12,74,20,464) |
| Adjustments for: | | |
| - Depreciation | 34,91,80,703 | 35,24,68,664 |
| - Interest and finance charges | 60,32,10,024 | 55,24,89,923 |
| - Loss on disposal of PPE | 1,07,46,718 | - |
| - Life time expected credit loss | 78,25,815 | 66,69,142 |
| - Other Income | (1,66,13,771) | (29,78,186) |
| - Interest income on fixed deposits | (1,31,50,435) | (1,17,75,870) |
| - Remeasurement of actuarial gain/loss | 11,53,668 | 2,40,339 |
| - Non cash Lease Rental Expenses | 1,19,765 | 41,658 |
| Operating profit before working capital changes | (8,16,07,993) | (23,02,64,792) |
| Adjustments for : | | |
| - (Increase) / decrease in inventories | 1,60,91,791 | (1,37,06,807) |
| - (Increase) / decrease in trade receivables | (6,97,20,339) | (5,64,52,764) |
| - (Increase) / decrease in Loans and advances | 10,54,88,427 | (13,55,23,602) |
| - (Increase) / decrease in Other Bank balance | 1,26,12,859 | (2,11,89,951) |
| - (Increase) / decrease in other financial assets | (81,14,028) | (1,10,90,385) |
| - (Increase) / decrease in other current assets | (1,95,64,973) | (48,86,215) |
| - (Increase) / decrease in Short term borrowing | 43,12,347 | 30,04,46,788 |
| - Increase / (decrease) in trade payables | 16,88,38,682 | 15,50,53,689 |
| - Increase / (decrease) in other current liabilities | (7,94,91,043) | 13,46,49,499 |
| - Increase / (decrease) in other financial liabilities and provision | 1,47,27,12,134 | (30,03,43,529) |
| - Increase / (decrease) in other non current assets | (1,35,00,61,368) | 3,72,09,654 |
| Cash generated from operations | 17,14,96,497 | (14,60,98,416) |
| - Income tax refund/ (paid) | (5,45,47,246) | (2,71,56,747) |
| Net Cash flow generated from operating activities | 11,69,49,251 | (17,32,55,163) |
| B Cash flow from investing activities | | |
| - Additions to PPE (including net movement in CWIP) | (16,90,94,502) | (56,23,69,569) |
| - Disposal of PPE | 75,00,000 | - |
| - Change in security deposit | (6,39,570) | (6,67,294) |
| - Interest income on fixed deposit | 1,31,50,435 | 1,17,37,264 |
| Net cash flows (used in) investing activities | (14,90,83,637) | (55,12,99,599) |
| C Cash flow from financing activities | | |
| - Proceeds from long term borrowings | 50,48,94,844 | 1,12,29,12,873 |
| - Interest and finance charges paid | (51,09,59,674) | (55,60,04,308) |
| Net cash flows (used in)/ generated from financing activities | (60,64,830) | 56,69,08,565 |
| Net change in cash and cash equivalents (A+B+C) | (3,81,99,216) | (15,76,46,197) |
| Cash and cash equivalents- opening balance | 5,78,71,163 | 21,55,17,359 |
| Cash and cash equivalents- closing balance | 1,96,71,946 | 5,78,71,163 |
| Notes to cash flow statement: | | |
| Cash and cash equivalents include : | | |
| Balance with Banks | 1,24,90,541 | 1,56,49,842 |
| Cheques, drafts on hand | 22,02,751 | 1,50,02,442 |
| Cash on hand | 49,78,655 | 41,10,562 |
| Deposit Accounts (up to 3 months) | - | 2,31,08,317 |
| Cash and cash equivalents at the end of the year [refer note no 15] | 1,96,71,947 | 5,78,71,163 |
| | 1,96,71,947 | 5,78,71,163 |



Notes:

¹ The Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard (IND AS - 7) "Cash Flow Statement".

For Awatar & Co.
Chartered Accountants
Registration No. 000726N

Brijendra Agrawal

(Brijendra Agrawal)
Partner
M. No. 087787



Place : Noida
Date: 4th May 2018

Manoj Gaur
Manoj Gaur
Chairman
DIN-00008480

Rekha Dixit
Rekha Dixit
Whole-time Director
DIN-00913685

Divya Yadav
Divya Yadav
Company Secretary

For and On behalf of the Board

Sunny Gaur
Sunny Gaur
Managing Director
DIN-00008293

Malyawant Passi
Malyawant Passi
Chief Financial Officer

Note 1:- SIGNIFICANT ACCOUNTING POLICIES

1. General Information of the Company:-

Jaypee Healthcare Limited was incorporated on 30th October, 2012 as a wholly owned subsidiary of Jaypee Infratech Limited to establish "Jaypee Hospital". Jaypee Hospital located at Sector - 128, Noida was established with the vision to promote world-class healthcare amongst the masses by providing quality and affordable medical care with commitment.

Jaypee Hospital is the flagship hospital of Jaypee Group, which heralds the group's noble intention to enter the healthcare space. Jaypee Hospital has been planned and designed as a 1200 bed tertiary care multi-specialty healthcare facility and has commissioned 525 beds in the first phase.

Jaypee Hospital is constructed across a sprawling twenty five acre campus in Noida which is easily accessible from Delhi, Noida and Yamuna Expressway.

Company has started its OPD & IPD at Jaypee Hospital, Chitta, which is located at 6-7 km from center of Bulandshahr on Shikarpur road and 90 minutes away from Jaypee Hospital, Noida. Jaypee Hospital, Chitta has been planned and designed as 205 bedded tertiary care multi specialty healthcare facility.

Company has started OPD at Jaypee Hospital, Anoopshahr, District-Bulandshahr. Jaypee Hospital, Anoopshahr has been planned and designed as 85 secondary care healthcare facilities.

Significant Accounting Policies

2.

a) Basis of preparation:-

The Company has adopted accounting policies that comply with Indian Accounting standards (INDAS or Ind AS) notified by Ministry of Corporate Affairs vide notification dated 16 February 2015 under section 133 of the Companies Act 2013. Accounting policies have been applied consistently to all periods presented in these financial statements. The financial statements referred hereinafter have been prepared in accordance with the requirements and instructions of Schedule III to the Companies Act 2013, amended from time to time applicable to companies to whom Ind AS applies read with the Ind AS.

Effective April 1, 2016 The company has adopted Ind AS Standard and adoption was carried out in accordance with Ind As 101 First time adoption of indian accounting standard with April 1 2015 as the transition date.

b) Use of Estimates:-

The preparation of financial statements require estimates and assumptions to be made that affect the reported amount of asset and liabilities on the date of the financial statements and the reported amount of the revenue and the expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

c) Summary of Significant Accounting Policy:

1. Property, Plant and Equipment (PPE): -

PPE are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.



The initial cost of PPE comprise its purchase price, including import duties, net of modvat/cenvat, less accumulated depreciation and include any directly attributable costs of bringing an asset to working condition and location for its intended use, including borrowing costs relating to the qualified asset over the period up to the date the assets are put to use is included in cost of relevant assets. Exchange rate variations relating to long term monetary items is charged to profit & loss if foreign currency loan is taken after 31 March 2016.

All other expenditure related to existing assets including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss in the period during which such expenditure is incurred.

The carrying amount of a property, plant and equipment is de-recognised when no future economic benefits are expected from its use or on disposal.

Machine spares that can be used only in connection with an item of fixed asset and their use is expected for more than one year are capitalized.

Depreciation on property plant and equipment is provided on straight line method based on estimated useful life of assets as prescribed in schedule II to the Companies Act, 2013. Estimated useful lives of the assets are as follow:-

| Class of Assets | Useful life |
|--------------------------------|-------------|
| Plant & Machinery | 15 Year |
| Computer & Software | 6 Year |
| Office Equipments | 5 Year |
| Furniture | 10 Year |
| Building | 60 Year |
| Motor Vehicles | 8 Year |
| Medical Equipment & Appliances | 13 Year |

The property, plant and equipment acquired under finance leases, if any, is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

Cost of leasehold land, other than acquired on perpetual basis, is amortized over the lease period. And shown as prepaid rent.

Depreciation on the assets purchased during the year is provided on pro-rata basis from the date of purchase of the assets.

Gains and losses on de-recognition/disposals are determined as the difference between the net disposal proceeds and the carrying amount of those assets. Gains and Losses if any, are recognised in the statement of profit or loss on de-recognition or disposal as the case may be.

2. Intangible Assets:-

Intangible assets are stated at cost less accumulated amortization and impairment losses, if any.

The cost of an intangible asset includes purchase cost (net of rebates and discounts), including any import duties and non-refundable taxes, and any directly attributable costs on making the asset ready for its intended use.

The Cost of Intangible assets are amortized on a straight line basis over their estimated useful life which is as follows.

| Nature of Assets | Useful Life |
|-------------------|-------------|
| Computer software | 5 Years |

The amortisation period and method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.



An intangible asset is derecognised on disposal or when no future economic benefits are expected from use. Gains and losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the statement of profit and loss when the asset is de-recognized or on disposal.

3. Inventories:-

Inventories are valued at weighted average cost.

Cost of inventories shall comprise of all cost of purchase, taxes and other costs incurred in bringing the inventories to their present location and condition.

4. Impairment of Tangible Assets and Intangible Assets

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication based on internal/ external factors that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount

5. Foreign Exchange Transactions:-

These financial statements are presented in Indian rupees (INR), which is the Company's functional currency

Transactions in foreign currency are recorded on initial recognition at the spot rate prevailing at the time of the transaction.

At the end of each reporting period

- Monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.
- Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.
- Non-monetary items that are measured terms of historical cost in a foreign currency are not retranslated

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:



i. Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as adjustment to interest costs on those foreign currency borrowings

ii. The exchange differences arising on reporting of long term foreign currency monetary items at rates different from those at which they were initially recorded in so far as they relate

iii. to the acquisition of depreciable capital assets are shown by addition to/deduction from the cost of the assets as per exemption provided under IND AS 21 read along with Ind AS 101 appendix 'D' clause-D13AA.

iv. Exchange differences on monetary items receivable from or payable to a foreign operation which settlement is neither planned nor likely to occur (therefore forming part of the investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

6. Borrowing Cost:-

Borrowing costs specifically relating to the acquisition or construction of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset. All other borrowing costs are charged to profit & loss account in the period in which it is incurred except loan processing fees which is recognized as per Effective Interest Rate method. Borrowing costs consist of interest and other costs that company incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

7. Employee Benefits:-

Contribution to Provident fund/Pension fund:-Retirement benefits in the form of Provident fund / Pension Schemes are defined contribution schemes and the contributions are charged to the Profit & Loss Account in the year when the contributions to the respective funds become due. The Company has no obligation other than contribution payable to these funds.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of each financial year. However, the Company has taken a policy with LIC to cover the gratuity liability of the employees. The difference between the actuarial valuation of gratuity for employees at the year-end and the balance of funds with LIC is provided for as liability in the books.

Defined Benefit Plans :- Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements)
- net interest expense or income and
- remeasurement

The company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.



For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Liability for a termination benefit is recognised at the earlier of when the company can no longer withdraw the offer of the termination benefit and when the company recognises any related restructuring costs.

Short-term and other long-term employee benefits:- A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. These benefits include bonus/incentives and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the company in respect of services provided by employees up to the reporting date.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The cost of the defined benefit gratuity plan and their present value are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The most sensitive is discount rate. The management has considers the interest rates of government bonds. Future salary increases and gratuity increases are based on expected future inflation rates.

8. Tax Expenses:-

Income Tax expense comprises of current tax and deferred tax charge or credit. Provision for current tax is made with reference to taxable income computed for the financial year for which the financial statements are prepared by applying the tax rates as applicable.

Current Tax:-Current Income tax relating to items recognized outside the profit and loss is recognized outside the profit and loss (either in other comprehensive income or in equity)

MAT:- Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The company recognizes MAT credit available as an asset only to the extent there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT Credit is allowed to be carried forward. In the year in which the Company recognizes MAT Credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the statement of Profit and Loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the sufficient period. Mat are recognized under other non-current assets.



Deferred Tax:- Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed as at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will not be available against which deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets are recognized for the unused tax credit to the extent that it is probable that taxable profits will be available against which the losses will be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

9. Leases:-

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. When acquired, such assets are capitalized at fair value of the leased property or present value of minimum lease payments, at the inception of lease, whichever is lower.

Other leases are Operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and amortised over the lease term on the straight line basis

As a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Assets subject to operating leases are included in PPE. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

As a lessee

Leases in which significant portions of risks and reward of ownership are not transferred to the company as lessee are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred. Lease hold land consider as operating lease and amortised over the lease term.



Leases where the lessor effectively transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases and are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability

so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

For arrangements entered into prior to 1 April 2015, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition in accordance with Ind AS 101 "First time adoption of Indian Accounting Standards".

10. Fair Value Measurement:-

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Entity uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Company has determined classes of assets & liabilities on the basis of the nature, characteristics and the risks of the asset or liability and the level of the fair value hierarchy as explained above.

11. Financial Instrument

equity instrument of another entity.

Financial asset is any assets that is

- Cash;
 - an equity instrument of another entity;
 - a contractual right:
 - (i) to receive cash or another financial asset from another entity; or
- favorable to the entity; or
- a contract that will or may be settled in the entity's own equity instruments and is:



- (i) a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
- (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Financial assets includes Security deposits, trade receivable, loan to body corporate, loan to employees, and other eligible current and non-current assets

Financial Liability is any liabilities that is

- a contractual obligation :
 - (i) to deliver cash or another financial asset to another entity; or
 - (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the entity; or
- a contract that will or may be settled in the entity's own equity instruments and is:
 - (i) a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
 - (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

For this purpose, rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments.

Financial liabilities includes Loans, trade payable and eligible current and non-current liabilities

i. Classification:-

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

A financial asset is measured at amortised cost if both of the following conditions are met: the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or fair value through profit or loss.

ii. Initial Recognition and Measurement:-

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value at initial recognition, plus or minus, any transaction cost that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss.



iii. Financial Assets Subsequent Measurement:-

Financial assets as subsequent measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL) as the case may be.

Financial liabilities as subsequent measured at amortised cost or fair value through profit or loss

iv. Effective Interest Method :-

The effective interest method is a method of calculating the amortised cost of a debt instrument and allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial a classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

v. Trade Receivables:-

Trade receivables are the contractual right to receive cash or other financial assets and recognized initially at fair value. Subsequently measured at amortised cost (Initial fair value less expected credit loss). Expected credit loss is the difference between all contractual cash flows that are due to the company and all that the company expects to receive (i.e. all cash shortfall), discounted at the effective interest rate.

vi. Equity investments:-

All equity investments in scope of Ind AS 109 are measured at fair value other than investment in subsidiary, Associates and Joint venture. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by- instrument basis

vii. Cash and cash Equivalents:-

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

viii. Impairment of Financial Assets:-

The company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.

ix. Financial Liabilities:-

Financial liabilities are recognized initially at fair value less any directly attributable transaction costs. These are subsequently carried at amortized cost using the effective interest method or fair value through profit or loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

x. Trade Payables :-

Trade payables represent liabilities for goods and services provided to the Company prior to the end of financial year and which are unpaid. Trade payables are presented as current liabilities unless payment is not due within 12 months after the reporting period or not paid/payable within operating cycle. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.





13. Earnings Per Share

Basic Earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. For the purpose of calculating Diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

14. Revenue:-

Revenue is measured at the fair value of the consideration received or receivable, taking into account the contractually defined terms of payment net of returns and allowances, trade discounts and volume rebates, excluding taxes or duties collected on behalf of the government..

Revenue is recognized only when the significant risk and reward of the ownership is transferred to the buyer usually on delivery of the goods. Revenue is recognized to the extent that it is probable that the economic benefit will flow to the Company, revenue can be reliably measured and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from healthcare services has been recognized as and when related services are rendered i.e. on completed service contract method. Revenue includes value of services for patients undergoing treatment and pending for billing to be shown as Unbilled Revenue.

Pharmacy sales shall be recognized when the risks and rewards of ownership shall be passed to customers and are stated net of returns, discounts but inclusive of VAT wherever applicable.

Interest income from financial assets is recognized when it is probable that the economic benefit will flow to the company.

Dividend income is recognized when the Group's right to receive payment is established. (Provided that it is probable that the economic benefit will flow to the Group)

Income from Rent Revenue is recognized in accordance with the terms of agreements entered into with the respective lessees.

15. Operating Cycle:-

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

16. Segment Reporting

segment as per Ind AS 108 'Operating Segments'. Healthcare services include various patient services delivered The Company's business activity primarily falls within a single geographical segment.



Note No 3 :- NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

| Particulars | Land - (Leasehold) | Land - (Freehold) | Building | Plant & Machinery | Motor Vehicles | Office Equipments | Medical Equipment & Appliances | Furniture & Fixture | Computers | Total |
|----------------------------------|--------------------|-------------------|----------------|-------------------|----------------|-------------------|--------------------------------|---------------------|--------------|----------------|
| Cost | | | | | | | | | | |
| Gross Block | | | | | | | | | | |
| As at March, 31 2017 | - | - | 4,06,35,92,096 | 92,43,40,591 | 96,57,304 | 16,67,78,032 | 1,71,63,78,562 | 14,13,51,973 | 13,01,08,915 | 7,15,22,07,473 |
| Additions | - | 1,53,52,740 | 64,50,66,246 | 2,03,19,604 | 40,14,911 | 53,60,418 | 9,21,06,419 | 81,74,405 | 1,42,98,688 | 80,46,93,432 |
| Other adjustments | - | - | - | - | - | - | (2,14,88,755) | - | - | (2,14,88,755) |
| As at March 31, 2018 | - | 1,53,52,740 | 4,70,86,58,342 | 94,46,60,195 | 1,36,72,215 | 17,21,38,450 | 1,78,69,96,226 | 14,95,26,378 | 14,44,07,603 | 7,93,54,12,149 |
| Accumulated Depreciation | | | | | | | | | | |
| As at March, 31 2017 | - | - | 10,00,05,397 | 9,32,74,950 | 33,42,492 | 6,00,13,105 | 21,08,87,031 | 2,16,02,583 | 4,83,60,468 | 53,74,86,026 |
| Charge for the year | - | - | 6,72,56,275 | 6,27,06,478 | 12,85,323 | 3,43,79,248 | 13,10,52,195 | 1,48,29,251 | 3,61,85,929 | 34,76,44,699 |
| Other adjustments | - | - | - | - | - | - | (32,42,037) | - | - | (32,42,037) |
| As at March 31, 2018 | - | - | 16,72,61,672 | 15,59,81,428 | 46,27,815 | 9,43,42,353 | 33,86,97,189 | 3,64,31,834 | 8,45,46,397 | 88,18,88,687 |
| Net Block (As at March 31, 2017) | - | - | 3,96,35,86,699 | 83,10,65,641 | 63,14,812 | 10,67,64,927 | 1,50,54,91,531 | 11,97,49,390 | 8,17,48,447 | 6,61,47,21,447 |
| Net Block (As at March 31 2018) | - | 1,53,52,740 | 4,54,13,96,670 | 78,86,78,767 | 90,44,401 | 7,77,96,097 | 1,44,82,99,037 | 11,30,94,544 | 5,98,51,206 | 7,05,35,23,462 |

Opening Balance as on 31.03.2017 1,20,44,56,156
Less :- Capitalised during the year (Chitta) 77,61,51,367
Add :- CWIP during the year (Anoopshahar) 14,46,29,841
Closing Balance as on 31.03.2018 57,29,34,636



Jaypee Healthcare Limited

Note No 4 :- NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2018

| Particulars | Computer Software | Total |
|-----------------------------------|-------------------|-----------|
| Gross Block (Cost or deemed cost) | | |
| As At March, 31 2017 | 76,80,021 | 76,80,021 |
| Addition | - | - |
| As At March, 31 2018 | 76,80,021 | 76,80,021 |
| Amortization and impairment | | |
| As At March, 31 2017 | 28,25,302 | 28,25,302 |
| Charge for the year | 15,36,004 | 15,36,004 |
| As at March 31,2018 | 43,61,306 | 43,61,306 |
| | | - |
| As at March 31,2017 | 48,54,719 | 48,54,719 |
| As at March 31,2018 | 33,18,715 | 33,18,715 |



| Note No | Particulars | As at March, 31 2018 | As at March, 31 2017 |
|---------|--|-----------------------|-----------------------|
| 5 | Other Financial Assets | | |
| | Unsecured | | |
| | Security Deposits with Govt. Authorities | 17,26,568 | 15,14,876 |
| | Security Deposits with Others | 12,29,229 | 6,82,653 |
| | | <u>29,55,797</u> | <u>21,97,529</u> |
| 6 | Other Non-Current Assets | | |
| | Advances to vendor | - | 1,56,40,823 |
| | Prepaid Rent | 1,58,58,66,001 | 22,02,83,575 |
| | | <u>1,58,58,66,001</u> | <u>23,59,24,398</u> |
| 7 | Inventories | | |
| | Stores and spares | | |
| | Stock Medical Items | 7,69,55,470 | 9,17,57,823 |
| | Stock Non Medical Items | 80,15,994 | 93,05,432 |
| | | <u>8,49,71,464</u> | <u>10,10,63,255</u> |
| 8 | Trade Receivables | | |
| | Unsecured, Considered good | 20,99,50,039 | 13,24,03,884 |
| | Less : Expected credit losses | (2,09,95,004) | (1,31,69,188) |
| | | <u>18,89,55,035</u> | <u>11,92,34,696</u> |
| 9 | Cash & Bank Balances | | |
| | Cash and cash equivalents | | |
| | Balance with Banks | 1,24,90,540 | 1,56,49,842 |
| | Cheques, drafts on hand | 22,02,751 | 1,50,02,442 |
| | Cash on hand | 49,78,655 | 41,10,562 |
| | Deposit Accounts (up to 3 months) | - | 7,31,08,317 |
| | | <u>1,96,71,946</u> | <u>5,78,71,163</u> |
| 10 | Bank Balances | | |
| | Fixed Deposit | 11,69,01,157 | 12,95,14,016 |
| | | <u>11,69,01,157</u> | <u>12,95,14,016</u> |
| 11 | Loans And Advances | | |
| | Unsecured | | |
| | Advance to others | 1,89,21,498 | - |
| | Advance to Related Parties | 10,85,05,539 | 23,29,15,464 |
| | | <u>12,74,27,037</u> | <u>23,29,15,464</u> |
| 12 | Other Financial Assets | | |
| | Security deposit | 1,93,000 | 1,93,000 |
| | Interest accrued on fixed deposit with banks | 11,01,190 | 8,12,977 |
| | Income Accrued but not Due | - | - |
| | | <u>12,94,190</u> | <u>10,05,977</u> |
| 13 | Other Current Assets | | |
| | Staff Imprest | 17,56,905 | 13,46,416 |
| | VAT Input Tax Receivable | - | 18,88,738 |
| | Prepaid Expenses | 1,14,21,512 | 62,87,381 |
| | Prepaid Rent | 1,85,30,813 | 26,21,722 |
| | | <u>3,17,09,230</u> | <u>1,21,44,757</u> |
| 16 | Borrowings | | |
| | Secured | | |
| | Term Loans (Indian Currency) | | |
| | From Bank | 5,09,72,44,958 | 4,73,53,70,181 |
| | | <u>5,09,72,44,958</u> | <u>4,73,53,70,181</u> |



Jaypee Healthcare Limited

Note No 14 & 15 Statement of changes In equity for the year ended as on March 31, 2018

| A. Equity Share Capital | Amount |
|-------------------------|-----------------------|
| Opening Balance | 4,27,50,00,000 |
| Changes during the year | - |
| Closing Balance | <u>4,27,50,00,000</u> |

B. Other Equity

| Particulars | Reserves & Surplus | Others Comprehensive Reserves | Total |
|---|--------------------|---------------------------------------|------------------|
| | Retained earnings | Remeasurement of Defined benefit plan | |
| Balances at at March, 31 2017 | (1,77,22,48,421) | (9,70,796) | (1,77,32,19,217) |
| Profit and loss during the year | (1,02,40,80,479) | - | (1,02,40,80,479) |
| Other Comprehensive Income | - | 11,53,668 | 11,53,668 |
| Total comprehensive income for the year | (1,02,40,80,479) | 11,53,668 | (1,02,29,26,811) |
| Balances at at March, 31 2018 | (2,79,63,28,900) | 1,82,872 | (2,79,61,46,028) |



Share Capital

(i) Details of Authorized, Issued, Subscribed and fully paid share capital

| Share Capital | As at March 31, 2018 | | As at March 31, 2017 | |
|---|----------------------|-----------------------|----------------------|-----------------------|
| | Number | ₹ | Number | ₹ |
| Authorised | | | | |
| Equity Shares of ₹10/- each | 60,00,00,000 | 6,00,00,00,000 | 60,00,00,000 | 6,00,00,00,000 |
| Issued | | | | |
| Equity Shares of ₹10/- each | 42,75,00,000 | 4,27,50,00,000 | 42,75,00,000 | 4,27,50,00,000 |
| Subscribed & fully Paid up | | | | |
| Equity Shares of ₹ 10/- each fully paid | 42,75,00,000 | 4,27,50,00,000 | 42,75,00,000 | 4,27,50,00,000 |
| Total | 42,75,00,000 | 4,27,50,00,000 | 42,75,00,000 | 4,27,50,00,000 |

(ii) Reconciliation of shares outstanding at the beginning and at the end of the year as at 31.03.2018

| Particulars | Equity Shares | | Equity Shares | |
|--|----------------------|-----------------------|----------------------|-----------------------|
| | As at March 31, 2018 | | As at March 31, 2017 | |
| | Number | ₹ | Number | ₹ |
| Shares outstanding at the beginning of the period | 42,75,00,000 | 4,27,50,00,000 | 42,75,00,000 | 4,27,50,00,000 |
| Shares Issued during the period | - | - | - | - |
| Shares bought back during the period | - | - | - | - |
| Any other movement | - | - | - | - |
| Shares outstanding at the end of the period | 42,75,00,000 | 4,27,50,00,000 | 42,75,00,000 | 4,27,50,00,000 |

(iii) Terms/rights/restrictions attached to equity shares:

The company has only one class of Equity Shares at par value of ₹10/- per share, which rank pari-passu in all respects including voting rights and entitlement to dividend.

In the event of liquidation, each share carry equal rights and will be entitled to receive equal amount per share out of the remaining amount available with the Company after making preferential payments

(iv) Shares held by the holding company, ultimate holding company and their subsidiaries /associates:

42,75,00,000 Equity shares (including beneficial interest for 600 shares) are held by Jaypee Infratech Limited, the holding company.

(v) Details of Shareholders holding more than 5% shares:

| Name of Shareholder | Equity Shares | | Equity Shares | |
|--------------------------|----------------------|--------------|----------------------|--------------|
| | As at March 31, 2018 | | As at March 31, 2017 | |
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Jaypee Infratech Limited | 427500000* | 100 | 427500000* | 100 |

* Beneficial interest for 600 shares held by 6 individuals transferred to jaypee infratech limited.



| Particulars | As at March, 31 2018 | As at March, 31 2017 |
|---|-------------------------|-------------------------|
| Other Equity | | |
| (A) Surplus in the statement of profit and loss | | |
| Opening balance | (1,77,22,48,421) | (64,48,77,957) |
| Profit/Loss for the year | (1,02,40,80,479) | (1,12,74,20,464) |
| Closing Balance | (2,79,63,28,900) | (1,77,22,48,421) |
| ii) Other comprehensive Income | | |
| (A) Remeasurement of Defined benefit plan | | |
| Opening balance | (9,70,796) | (12,11,135) |
| Addition/Deduction during the year | 11,53,668 | 2,40,339 |
| Closing balance | 1,82,872 | (9,70,796) |
| Total | (2,79,61,46,028) | (1,77,32,19,217) |



a :- The Term Loan from Yes Bank led consortium banks for Facility of Rs. 325 Crores is secured by (i) First Pari Passu Charge by way of equitable mortgage on the Land & Building of the Phase-I Project along with all buildings and structures thereon alongwith Movable Fixed assets of the Project, (ii) second charge on all the current assets (both present & future), (iii) pledge by Holding Company (JIL) of 30% of paid up equity capital of the company in favor of lender during the tenor of loan, (iv) Non Disposal undertaking for 21% of paid up equity capital of the Company (other than pledged shareholding), (v) Unconditional & Irrevocable Personal Guarantee of Mr. Manoj Gaur.

b :- The Term Loan -III from Yes Bank for facility of Rs. 100 Cr. Is secured by (i) Extension of charge on 29 Acres of JPSI (Jaypee Sports International Limited) commercial land in SOZ (owned by JAL (Jaiprakash Associates Limited) post merger and exclusively charged to YBL) (subject to compliance under Section 185 of Companies act 2013).

c :- The Term Loan -IV from Yes Bank for facility of Rs. 75 Cr. Is secured by (i) First pari-passu charge by way of registered mortgage on the Land & Building of Noida Hospital ; (ii) First Pari-passu charge on all the Movable Fixed Assets of the Noida Hospital (both present & future) (iii) Second Pari-passu charge on all the Current Assets of the Noida Hospital (both present & future) (iv) unconditional and Irrevocable Personal Guarantee of Mr. Manoj Gaur to remain valid during the tenor of the facilities (v) Extension of charge on Pledge on 51% of the equity capital infused in Noida hospital of the borrower.

d :- The Term Loan -II from Yes Bank for facility of Rs. 100 Cr. Is secured by (i) First pari-passu charge by way of mortgage on land and building at 205 bed tertiary care hospital in Bulandsnagar and a 85 bed secondary care hospital in Anupshahr (New Projects), (ii) First pari-passu charge by way of hypothecation on all movable fixed assets including, but not limited to medical equipment and other movable fixed assets of the new projects, both present and future, (iii) Unconditional and Irrevocable corporate Guarantee of Jaypee Infotech Limited, (iv) Unconditional and Irrevocable Personal Guarantee of Mr. Manoj Gaur (v) Pledge of 30% of the paid up equity capital of the Borrower by additional promoter shareholding in the borrower such that YBL has 30% share pledged exclusively in its favor (including the shares already pledged to YBL under credit facilities sanctioned for Jaypee Medical Centre, Noida under Term Loan).

e :- The Term Loan from NBFCs (SREI Equipment Finance Limited) is secured by way of first /exclusive charge of medical equipment of ₹ 72,11,20,000/- and security of holding company Jaypee Infotech Ltd (JIL) by way of mortgage of property situated at village Tappal, Tehsil-Khari, Distt.-Aligarh (U.P) measuring 7.3895 Hectares. Repayable in 35 monthly structured installments from 03.05.2014 to 03.04.2017

| | | | |
|----|-----------------------------------|---------------------|---------------------|
| 17 | Other Financial Liabilities | | |
| | Security Deposit | 10,49,660 | 9,30,963 |
| | | <u>10,49,660</u> | <u>9,30,963</u> |
| 18 | Provisions | | |
| | Provision For Employee Benefit | | |
| | Gratuity | 1,19,67,283 | 85,12,768 |
| | Leave Encashment | 1,23,34,247 | 1,01,70,773 |
| | | <u>2,43,01,530</u> | <u>1,86,83,541</u> |
| 19 | Other Non Current Liability | | |
| | Deferred Revenue-Non Current | 6,43,933 | 7,90,647 |
| | Deferred Liability | 13,17,36,458 | 4,76,82,705 |
| | | <u>13,23,80,391</u> | <u>4,84,73,351</u> |
| 20 | Borrowing | | |
| | From Banks (Working Capital Loan) | 49,56,77,601 | 49,11,65,254 |
| | | <u>49,56,77,601</u> | <u>49,11,65,254</u> |

The working capital loan from Yes Bank for facility of Rs. 50 crore is secured by (i) Exclusive charge on 2 Acres of land adjoining Jaypee Medical Centre, Noida providing minimum security cover of 1.5X (ii) Second Pari Passu Charge by way of Equitable Mortgage on the Land & Building of the Phase-I Project (504 bed multi-speciality hospital in village Shahpur Bangor (Sector-128), Noida, Distt. Gautam Budh Nagar (Phase-I) along with all buildings and structures thereon Approx. 5 Acres. (iii) First pari-passu charge on all the current assets of the Jaypee Medical Centre, Noida owned by borrower (both present and future), (iv) Second Pari Passu charge on Movable fixed assets (both present and future) of Jaypee Medical Centre, Noida. (v) Extension of Pledge of 51% of the paid-up equity capital of the Borrower at all times during the tenor of the facility. (vi) Unconditional and Irrevocable Personal Guarantee of Mr. Manoj Gaur. (vii) Unconditional and Irrevocable Corporate Guarantee of Jaypee Infotech Limited to remain valid till the tenor of the facilities.



| | | | |
|----|--|-----------------------|---------------------|
| 21 | Trade Payables | | |
| | Dues to Micro and Small enterprises | - | - |
| | Dues to other than Micro and Small enterprises | 76,98,90,930 | 60,10,52,248 |
| | | <u>76,98,90,930</u> | <u>60,10,52,248</u> |
| 22 | Other Financial Liabilities | | |
| | Current maturities of long term debt; | 9,75,00,000 | 3,25,00,000 |
| | Security deposit | 1,50,000 | - |
| | Bank overdraft | 6,37,74,337 | - |
| | Interest Accrued & Due | 2,43,81,284 | - |
| | Interest Accrued But Not Due | 4,74,83,821 | - |
| | Due to Staff | 1,76,13,364 | 60,01,669 |
| | Expenses payable | 8,82,14,631 | 15,07,23,608 |
| | Capital Suppliers | 1,50,65,32,865 | 11,03,17,648 |
| | | <u>1,86,56,50,301</u> | <u>29,95,42,925</u> |
| 23 | Provisions | | |
| | Provision For Employee Benefit | | |
| | Gratuity | 1,57,059 | 33,322 |
| | Leave Encashment | 11,03,954 | 4,67,773 |
| | | <u>12,61,013</u> | <u>5,01,095</u> |
| 24 | Other Current Liabilities | | |
| | Advances from Customers | 43,79,195 | 3,12,03,510 |
| | GST Payable | 17,42,042 | - |
| | Service Tax Payable | - | 72,368 |
| | TDS Payable | 1,63,46,402 | 3,18,24,386 |
| | EMPLOYEES CONTRIBUTION TO ESI PAYABLE | 36,88,625 | 34,93,178 |
| | Deferred Revenue-Current | 1,46,714 | 1,46,714 |
| | Expenses payable | - | - |
| | Other current liabilities | - | - |
| | | <u>2,63,02,978</u> | <u>6,67,40,155</u> |



Jaypee Healthcare Limited
 Note to Profit and Loss for the period ended March, 31 2018

| Note No. | Particulars | For the period ended 31 March 2018 | For the period ended 31 March 2017 |
|----------|--|------------------------------------|------------------------------------|
| 25 | Revenue from Operation | | |
| | Revenue from Hospital | 2,50,28,93,979 | 1,84,62,82,141 |
| | Revenue from Pharmacy | 13,81,81,112 | 11,37,70,441 |
| | | <u>2,64,10,75,091</u> | <u>1,96,01,52,582</u> |
| 26 | Other Income | | |
| | Interest income from FDR | 1,31,50,435 | 1,17,75,870 |
| | Sale Of Scrap | 11,50,772 | 6,87,139 |
| | Miscellaneous Income | 2,63,453 | 8,62,811 |
| | Outlet Income | 41,70,413 | 34,07,055 |
| | Parking Income | 34,65,166 | 23,65,646 |
| | Other Income | 3,09,28,968 | 28,31,472 |
| | | <u>5,37,29,206</u> | <u>2,19,29,993</u> |
| 27 | Cost of Sale | | |
| | Consumption of Medical Items | 55,75,87,494 | 42,23,75,748 |
| | Pharmacy Sale | 8,84,76,063 | 7,16,75,063 |
| | | <u>64,60,63,557</u> | <u>49,40,50,811</u> |
| 28 | Employee Benefit Expense | | |
| | Salary, Wages, Bonus and other benefits | 42,27,40,391 | 38,10,22,682 |
| | Contribution to Provident fund & other fund | 2,62,19,367 | 1,87,21,622 |
| | Staff Welfare Expenses | 84,89,295 | 60,56,474 |
| | | <u>45,74,49,053</u> | <u>40,58,00,779</u> |
| 29 | Finance Cost | | |
| | Interest on Term Loan | 60,32,10,024 | 55,22,84,648 |
| | Other Finance Charges | 67,53,714 | 1,11,63,085 |
| | | <u>60,99,63,738</u> | <u>56,35,47,733</u> |
| 30 | Depreciation and Amortization expense | | |
| | Depreciation on Tangible Assets | 34,76,44,699 | 35,10,87,359 |
| | Amortization of Intangible Assets | 15,36,004 | 13,81,306 |
| | | <u>34,91,80,703</u> | <u>35,24,68,664</u> |
| 31 | Other expenses | | |
| | Doctor's fees | 67,56,61,076 | 55,90,34,342 |
| | Life time expected credit losses | 78,25,815 | 66,69,142 |
| | Consultancy & Advisory Charges | 3,96,20,993 | 3,44,00,384 |
| | Electricity, Power & Fuel Expenses | 13,23,07,721 | 11,31,80,487 |
| | House Keeping Expenses | 13,65,77,570 | 13,05,88,651 |
| | Security Service Expenses | 2,59,93,246 | 2,52,23,440 |
| | Rates & Taxes | 27,15,100 | 46,64,286 |
| | Traveltime & Conveyance Expenses | 1,57,00,190 | 2,22,64,535 |
| | Postage & Telephone Expenses | 52,49,407 | 70,91,171 |
| | Insurance Charges | 78,89,503 | 98,91,625 |
| | Vehicles Running & Maintenance | 2,44,25,514 | 1,49,03,913 |
| | Printing & Stationery | 1,58,12,015 | 1,41,01,767 |
| | Office Expenses | 58,86,106 | 31,53,332 |
| | Repair & Maintenance | 7,49,10,408 | 6,35,50,763 |
| | Marketing & Business Promotion Expenses | 30,09,33,815 | 21,42,77,110 |
| | Audit Fee | 4,73,000 | 2,23,000 |
| | Misc. Expenses | 24,98,149 | 4,84,551 |
| | Bank Charges | 1,11,60,859 | 73,18,296 |
| | Outsourced Pathlab Expenses | 2,84,58,186 | 1,97,52,479 |
| | Patient Catering Expenses | 4,52,54,858 | 4,02,29,245 |
| | Maintenance Charges - SF | 6,74,76,900 | - |
| | Loss on Sale/disposal of fixed assets | 1,07,46,718 | - |
| | Rental expenses | 1,86,56,578 | 26,21,722 |
| | | <u>1,65,62,27,727</u> | <u>1,29,36,35,052</u> |
| 32 | Earnings Per Share in accordance with Accounting Standard [Ind AS 33] for the period ended on 31.03.2018 | | |
| | Net Profit after Tax | (1,02,29,26,811) | (1,42,71,80,425) |
| | Weighted average number of Equity Shares at the end of the period | 42,75,00,000 | 42,75,00,000 |
| | Basic & diluted Earnings per share(₹) | (2.39) | (2.64) |
| | Face Value per Share(₹) | 10 | 10 |



NOTE NO. 33 Contingent Liabilities & commitments not provided for:

| Particulars | ₹ | ₹ |
|---|----------------|----------------|
| | March 31, 2018 | March 31, 2017 |
| Contingent Liabilities :- | | |
| a) Outstanding Letters of Credit (including Foreign LCs) (Margin Money Current Year: Nil, Previous Year: Nil) | 46,91,739 | 3,27,27,872 |
| b) Bank Guarantee | 32,00,000 | 32,00,000 |
| Commitments :- | | |
| d) Estimated amount of Contract of mobile application remaining to be executed (Net of advances) | 9,27,850 | 8,67,350 |
| d) Estimated amount of Contract remaining to be executed on Capital Account (Net of advances) | - | 50,64,200 |

NOTE NO. 34

Company started OPD operations at Jaypee Hospital, Chitta from 1st October 2016 & trial run of IPD operation commenced from June 2017. Incidental expenses (net of revenue) related to other departments were shown as pre-operative expenses in Capital Work In Progress till that date.

During the year, company commenced full fledged operation w.e.f. 1st January 2018 and incidental expenses (net of revenue) related to other departments shown as pre-operative expenses in Capital Work In Progress till 31st December 2017 were capitalised by allocating proportionately on the cost of major fixed assets capitalised as on that date.

NOTE NO. 35

In the opinion of Board of Directors the assets, other than fixed assets and non-current investments, have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.

NOTE NO. 36

(a) Provident Fund Defined contribution Plan.

All employees are entitled to Provident Fund Benefit as per law. Amount debited to financial statements is ₹ 2,11,96,334/- during the year (Previous period ₹ 1,75,26,055/-).

(b) The Liability for Gratuity is provided on the basis of actuarial valuation made at the end of current period. The actuarial valuation is made on Projected Unit Credit method as per Ind AS 19.

(c) Provision has been made for Gratuity and Leave Encashment as per actuarial valuation as below (Previous year figures are mentioned in brackets):

The Summarized position of defined benefits recognized in Balance Sheet is as under:

| S. No. | Particulars | 2017-18 | |
|--------|--|---------------|------------------|
| | | Gratuity | Leave Encashment |
| I | Expenses recognized as Incidental Expenditure During Construction up to 31st March 2018. | | |
| | 1. Current Service Cost. | 44,30,612 | 52,42,109 |
| | | (37,19,756) | (49,07,365) |
| | 2. Interest Cost | 6,28,138 | 7,81,933 |
| | | (3,75,309) | (5,55,308) |
| | 3. Employee Contribution | - | - |
| | | (-) | (-) |
| | 4. Actuarial (Gains)/Losses | -11,53,668 | 91,140 |
| | | (- 2,40,339) | (1,79,777) |
| | 5. Past Service Cost | - | - |
| | | (-) | (-) |
| | 6. Benefits Paid | -3,26,830 | -31,33,247 |
| | | (-) | (-19,45,258) |
| | 7. Total Expenses | 35,78,252 | 27,99,655 |
| | | 38,54,726 | 36,97,192 |
| II | Net Asset/ (Liability) recognized in the Balance Sheet as at 31st March 2018. | | |
| | 1. Present Value of Defined Benefit Obligation. | 1,21,24,342 | 1,34,38,201 |
| | | 1,21,24,342 | 1,34,38,201 |
| | 2. Fair Value of Plan Assets | - | - |
| | | (-) | (-) |
| | 3. Unfunded Liability /provision in Balance Sheet | (1,21,24,342) | -1,34,38,201 |



| | | | | |
|-----|--|-----|---------------|---------------|
| | | | (-85,46,090) | (1,06,38,546) |
| | 4. Net Asset/ (Liability) as at March 31, 2018. | | (1,21,24,342) | (1,34,38,201) |
| | | | (-85,46,090) | (1,06,38,546) |
| III | Change in Obligation during the year ended March 31, 2018. | | | |
| | 1. Present value of Defined Benefit Obligation at the beginning of the year. | - | - | 1,06,38,546 |
| | | (-) | (-) | (69,41,354) |
| | 2. Current Service Cost. | | | 52,42,109 |
| | | (-) | (-) | (49,07,365) |
| | 3. Interest Cost | | | 7,81,933 |
| | | (-) | (-) | (5,55,308) |
| | 4. Settlement Cost | | | - |
| | | (-) | (-) | (-) |
| | 5. Past Service Cost. | | | - |
| | | (-) | (-) | (-) |
| | 6. Re-measurements | | | -91,140 |
| | | (-) | (-) | (1,79,777) |
| | 7. Actuarial (Gains)/Losses | | | - |
| | | (-) | (-) | - |
| | 8. Benefit Payments | | | -31,33,247 |
| | | (-) | (-) | (1,94,52,58) |
| | 9. Present Value of Defined Benefit Obligation at the end of the year. | | | 1,34,38,201 |
| | | (-) | (-) | (1,06,38,546) |
| IV | Change in Assets during the year ended March, 2018. | | | |
| | 1. Plan Assets at the beginning of the year. | | | - |
| | | (-) | (-) | (-) |
| | 2. Assets acquired on amalgamation in previous year. | | | - |
| | | (-) | (-) | (-) |
| | 3. Settlements | | | - |
| | | (-) | (-) | (-) |
| | 4. Expected return on Plan Assets | | | - |
| | | (-) | (-) | (-) |
| | 5. Contribution by Employer | | | - |
| | | (-) | (-) | (-) |
| | 6. Actual Benefit Paid | | | - |
| | | (-) | (-) | (-) |
| | 7. Actuarial Gains / (Losses) | | | - |
| | | (-) | (-) | (-) |
| | 8. Plan Assets at the end of the year | | | - |
| | | (-) | (-) | (-) |
| | 9. Actual Return on Plan Assets | | | - |
| | | (-) | (-) | (-) |
| V. | Assets/Liabilities | | | |
| | As on | | 31.03.2018 | 31.03.2017 |
| | Gratuity | | | |
| A | PBO (C) | | 1,21,24,342 | 85,46,090 |
| B | Plan Assets | | - | - |
| C | Net Assets/(Liabilities) | | -1,21,24,342 | (85,46,090) |
| | Leave Encashment | | | |
| A | PBO (C) | | 1,34,38,201 | 1,06,38,546 |
| B | Plan Assets | | - | - |
| C | Net Assets/(Liabilities) | | (1,34,38,201) | (1,06,38,546) |

VI. Enterprises best estimate of contribution during next year :

| | |
|-----------------------|-------------|
| (i) Gratuity | ₹ 61,05,197 |
| (ii) Leave encashment | ₹ 46,77,871 |

VII. Actuarial Assumptions

| | | |
|-------|------------------------|----------------------|
| (I) | Discount Rate | 7.80% |
| (II) | Mortality | As per IAM (2006-08) |
| (III) | Turnover Rate | |
| | - Up to 30 years | 2% |
| | - 31 to 44 years | 5% |
| | - Above 44 years | 3% |
| (IV) | Future Salary Increase | 5.5% |

NOTE NO.37

Related Party Disclosures, as required in terms of 'IND AS 24' are given below:



1. Relationships (Related party relationships are as identified by the Company and relied upon by the Auditors)

- a. Ultimate Holding Company : Jaiprakash Associates Limited (JAL)
b. Holding Company : Jaypee Infratech Limited (JIL)

c. Fellow Subsidiary Companies;

- (1) Birla Jaypee Cement Limited (JV subsidiary of JAL)
- (2) Himalyan Expressway Limited (subsidiary of JAL)
- (3) Gujarat Jaypee Cement & Infrastructure Limited (JV subsidiary of JAL)
- (4) Jaypee Ganga Infrastructure Corporation Limited (subsidiary of JAL)
- (5) Jaypee Agra Vikas Limited (subsidiary of JAL)
- (6) Jaypee Fertilizers & Industries Limited (subsidiary of JAL)
- (7) Jaypee Cement Corporation Limited (subsidiary of JAL)
- (8) Himalyaputra Aviation Limited (subsidiary of JAL)
- (9) Jaypee Assam Cement Limited (subsidiary of JAL)
- (10) Jaypee Infrastructure Development Limited (new name of Jaypee Cement Cricket (India) Limited w.e.f. 21.02.2017 (subsidiary of JAL)
- (11) Jaypee Cement Hockey (India) Limited (subsidiary of JAL)
- (12) Jaiprakash Agri Initiatives Company Limited (subsidiary of JCCL)
- (13) Yamuna Expressway Tolling Limited (new name of Yamuna Expressway Tolling Private Limited w.e.f. 05.04.2017, which again is the new name of Jaypee Mining Ventures Private Limited w.e.f. 24.03.2017) (Subsidiary of JAL w.e.f. 25.03.2017 only).
- (14) Himachal Baspas Power Company Limited ceased to be subsidiary of JPVL w.e.f. 08.09.15.
- (15) Jaypee Uttar Bharat Vikas Private Limited (JUBVPL) (JV Associate Co. till 25.07.17. It became wholly owned subsidiary of JFIL (hence of JAL also) w.e.f. 26.07.17)
- (16) Kanpur Fertilizers & Cement Limited (JV Associate Co. till 25.07.17. It became subsidiary of JUBVPL (hence of JFIL & JAL also) w.e.f. 26.07.17)
- (17) Jaiprakash Power Ventures Limited (JPVL) ceased to be subsidiary of JAL w.e.f. 17.02.2017.
- (18) Jaypee Powergrid Limited (JV subsidiary of JPVL) ceased to be subsidiary of JAL w.e.f. 17.02.2017.
- (19) Jaypee Arunachal Power Limited (JV subsidiary of JPVL) ceased to be subsidiary of JAL w.e.f. 17.02.2017.
- (20) Sangam Power Generation Company Limited (subsidiary of JPVL) ceased to be subsidiary of JAL w.e.f. 17.02.2017.
- (21) Prayagraj Power Generation Company Limited (subsidiary of JPVL) ceased to be subsidiary of JAL w.e.f. 17.02.2017.
- (22) Jaypee Meghalaya Power Limited (subsidiary of JPVL) ceased to be subsidiary of JAL w.e.f. 17.02.2017.
- (23) Himachal Karcham Power Company Limited (subsidiary of JPVL) ceased to be subsidiary of JAL w.e.f. 17.02.2017.

d. Associates Companies

- (1) Jaiprakash Power Ventures Limited (JPVL) (w.e.f. 18.02.2017, it became an Associate Company in place of fellow subsidiary of Jaypee Healthcare Limited).
- (2) Jaypee Powergrid Limited (JV Subsidiary of JPVL) (w.e.f. 18.02.2017, it became an Associate Company in place of fellow subsidiary of Jaypee Healthcare Limited).
- (3) Sangam Power Generation Company Limited (Subsidiary of JPVL) (w.e.f. 18.02.2017, it became an Associate Company in place of fellow subsidiary of Jaypee Healthcare Limited).
- (4) Prayagraj Power Generation Company Limited (Subsidiary of JPVL) (w.e.f. 18.02.2017, it became an Associate Company in place of fellow subsidiary of Jaypee Healthcare Limited).
- (5) Jaypee Meghalaya Power Limited (Subsidiary of JPVL) (w.e.f. 18.02.2017, it became an Associate Company in place of fellow subsidiary of Jaypee Healthcare Limited).
- (6) Bina Power Supply Limited (Formerly known as Himachal Karcham Power Company Limited w.e.f. 28.09.2015 (w.e.f. 18.02.2017, it became an Associate Company in place of fellow subsidiary of Jaypee Healthcare Limited)
- (7) MP Jaypee Coal Limited (JV Associate Co. of JAL)
- (8) MP Jaypee Coal Fields Limited (JV Associate Co.)
- (9) Madhya Pradesh Jaypee Minerals Limited (JV Associate Co. of JAL)
- (10) Jaypee Infra Ventures (A Private Company With Unlimited Liability) (JIV)
- (11) Jaypee Development Corporation Limited (JDCL) (Subsidiary of JIV)
- (12) Andhra Cements Limited (subsidiary of JDCL)
- (13) JIL Information Technology Limited (JILIT) (Subsidiary of JIV)
- (14) Gaur & Nagi Limited (Subsidiary of JILIT)
- (15) Jaypee International Logistics Company Private Limited (subsidiary of JIV)
- (16) Tiger Hills Holiday Resort Private Limited (subsidiary of JDCL)
- (17) RPJ Minerals Private Limited (RPJMPL)
- (18) Sarveshwari Stone Products Private Limited (subsidiary of RPJMPL)
- (19) Rock Solid Cement Limited (subsidiary of RPJMPL)
- (20) Sonabhadra Minerals Private Limited



- (21) Indesign Enterprises Private Limited (IEPL) (subsidiary of JIV)
- (22) Anvi Hotels Private Limited (Subsidiary of JIV) (Dissolved w.e.f. 16.07.2016)
- (23) Ibonshourne Limited (Subsidiary of IEPL w.e.f. 11.01.2016)
- (24) Jaiprakash Kashmir Energy Limited (jointly controlled by Shri Manoj Gaur, Sunny Gaur & their relatives).
- (25) Yamuna Expressway Tolling Private Limited (new name of Jaypee Mining Venture Private Limited w.e.f. 24.03.2017) controlled by Shri Sunny Gaur & Shri Sunil Kumar Sharma).
- (26) Ceekay Estates Private Limited (controlled by relatives of Shri Manoj Gaur, Shri Sunny Gaur & Smt. Rekha Dixit).
- (27) Bhumi Estate Developers Private Limited (controlled by relatives of Shri Manoj Gaur, Shri Sunny Gaur & Smt. Rekha Dixit).
- (28) Jaypee Jan Sewa Sansthan (Not For Profit Private Limited Company) (controlled by relatives of Shri Manoj Gaur, Shri Sunny Gaur & Smt. Rekha Dixit).
- (29) Dixit Holdings Private Limited (DHPL) (KMP based Associate Co.) (controlled by relatives of Shri Manoj Gaur, Shri Sunny Gaur & Smt. Rekha Dixit).
- (30) JC World Hospitality Private Limited (controlled by relatives of Shri Manoj Gaur, Shri Sunny Gaur & Smt. Rekha Dixit).
- (31) JC Wealth & Investments Private Limited (controlled by relatives of Shri Manoj Gaur, Shri Sunny Gaur & Smt. Rekha Dixit).
- (32) CK World Hospitality Private Limited (controlled by relatives of Shri Manoj Gaur, Shri Sunny Gaur & Smt. Rekha Dixit).
- (33) Jaiprakash Exports Private Limited (controlled by relatives of Shri Manoj Gaur, Shri Sunny Gaur & Smt. Rekha Dixit).
- (34) Pac Pharma Drugs and Chemicals Private Limited (controlled by relatives of Shri Manoj Gaur, Shri Sunny Gaur & Smt. Rekha Dixit).
- (35) Think different Enterprises Private Limited (controlled by relatives of Shri Manoj Gaur & Smt. Rekha Dixit).
- (36) J. Jaypee Arunachal Power Limited (JV Subsidiary of JPL) (w.e.f. 18.02.2017, it became an Associate Company in place of fellow subsidiary of Jaypee Healthcare Limited).
- (37) First Light Estates Private Limited (controlled by relatives of Shri Manoj Gaur, Shri Sunny Gaur & Smt. Rekha Dixit).

(e) Key Managerial Personnel:

- (1) Shri Sunny Gaur, Managing Director (w.e.f. 15.04.2016)
- (2) Smt. Rekha Dixit, Whole-time director (w.e.f. 25.02.2015)
- (3) Shri Malyawant Passi, Chief Financial Officer (w.e.f. 01.01.2017)
- (4) Ms. Divya Yadav, Company Secretary (w.e.f. 12.12.2017)

Transactions carried out with related parties referred to above: (in ₹)

| Nature of Transactions | Referred in (a) above | Referred in (b) above | Referred in (c) above | Referred in (d) above | Referred in (e) above |
|---|-------------------------------|-------------------------------|-----------------------|------------------------------|----------------------------|
| Receipts/ Income | - | - | - | - | - |
| Share Application Money received | | | | | |
| Expenditure | | | | | |
| Contract Expenses | 6,74,76,900 (1,34,21,155) | | | 97,41,592 (10,22,99,581) | |
| Cement/Goods Purchases/IT Services, supply & Installation | | | | 2,55,18,168 (2,33,10,202) | |
| Advertisement | | | | 2,18,04,603 (2,59,79,312) | |
| Others | | 11,06,57,469 (9,79,59,419) | | 1,40,60,00,000 - | 1,69,86,602 (17,60,239) |
| Project Transfer | | - | | | |
| Outstanding | | | | | |
| Receivables | | | | | |
| Advance Payment | (-) | - | | | |
| | (-) | 72,61,37,932 | | | |
| Payables | | | | | |
| Creditors | 11,74,75,303 (6,60,29,634) | 9,53,93,662 (22,59,29,580) | | 6,83,02,240 (6,65,50,199) | 18,05,978 (4,61,429) |

1 Previous Year figures are given in brackets.



a. Earnings in foreign Currency :

| Particulars | Year ended 2017-18 | Year ended 2016-17 |
|-----------------|--------------------|--------------------|
| Patient Receipt | 35,49,51,197 | 17,19,63,933 |

b. Expenditure in Foreign Currency :

| Particulars | Year ended 2017-18 | Year ended 2016-17 |
|--------------------------------------|--------------------|--------------------|
| Finance Charges | 54,213 | 10,11,089 |
| Patient Refund | 44,53,856 | 63,03,353 |
| CIF value of import of Capital Goods | 12,82,720 | 2,21,179 |

NOTE NO. 38

There is net Deferred tax assets however, the provision for net Deferred Tax Assets for timing difference has not been created as a matter of prudence as the company believes that in view of virtual uncertainty of future taxable income against which reversal of such deferred tax can be made.

NOTE NO. 39

As per the information available from the Management there are no Small Scale Industrial Undertakings to whom the Company owes more than ₹ 1 Lakh outstanding for more than 30 days as on 31st March 2018.

NOTE NO. 40

As per the information available with the company, the company has no dues to micro & Small Enterprises during the period ended 31st March 2018.

NOTE NO. 41

(a) All the figures have been rounded off to the nearest rupee.

(b) Previous year figures have been reworked/regrouped/rearranged wherever necessary to conform to those of current year.

Note No. -42 Capital Management

(A) Risk Management

The Company manages its capital to ensure that the company will be able to continue as going concerns while maximising the return to stakeholders through the optimization of the debt and equity balance.

The Company's risk management committee reviews the capital structure of the Company on a semi-annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. The Company monitors capital on the basis of following gearing ratio, which is net debt divided by total capital plus debt.

Gearing ratio

The gearing ratio at end of the reporting period was as follows

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|----------------------|----------------------|
| Debt* | 5,69,04,22,559 | 5,25,92,35,435 |
| Cash and bank balances (including cash and bank balances in a disposal) | 13,65,73,103 | 18,73,85,179 |
| Net debt | 5,55,38,49,456 | 5,07,18,50,256 |
| Total Equity | 1,47,88,53,972 | 2,50,17,80,783 |
| Net Debts and Total equity | 7,03,27,03,428 | 7,57,36,31,039 |
| Net debt to debt and equity ratio | 78.97% | 66.97% |

*Debt is defined as long-term and short-term borrowings including current maturities and books overdraft
Total equity (as shown in balance sheet) includes issued capital and all other equity reserves.

Note 43 : Fair Value Measurement

Categories of financial instruments

| Financial assets | As at March 31, 2018 | As at March 31, 2017 |
|----------------------------------|----------------------|----------------------|
| Measured at amortised cost | | |
| (i) Trade receivables | 18,89,55,035 | 11,92,34,696 |
| (ii) Cash and Bank balance | 13,65,73,103 | 18,73,85,179 |
| (iii) Loans | 12,74,27,037 | 23,29,15,464 |
| (iv) other financial assets | 42,49,987 | 32,03,506 |
| | 45,72,05,162 | 54,27,38,844 |
| Financial liabilities | As at March 31, 2018 | As at March 31, 2017 |
| Measured at amortised cost | | |
| (i) Borrowings | 5,69,04,22,559 | 5,25,92,35,435 |
| (ii) Other financial liabilities | 1,76,91,99,962 | 11,72,50,279 |
| (iii) Trade and other payables | 76,98,90,936 | 46,10,52,248 |
| Total | 8,22,95,13,451 | 5,97,75,37,962 |

(f) Fair Value Hierarchy



This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (A) recognised and measured at fair value and (B) measured at amortised cost and for which fair values are disclosed in financial statements. To provide an indication about the reliability of inputs used in determining fair values, the group has classified its financial instruments into three levels prescribed under the accounting standards.

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below :-

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Fair value measurements

| Particulars | Fair value as at As at March 31, 2018 | As at March 31, 2017 | Fair value hierarchy | Valuation technique(s) and key input(s) |
|------------------------------|--|-------------------------|----------------------|--|
| Financial assets | | | | |
| a) Security deposit | 12,29,229 | 6,82,653 | Level 2 | Discounted cash flow at a discount rate that reflects the company's current borrowings rate at the end of reporting period |
| Financial Liabilities | | | | |
| a) Borrowings | 5,19,47,44,958 | 4,76,78,70,181 | Level 2 | Discounted estimated cash flow through the expected life of the borrowings |
| b) Security deposit | 10,49,660 | 9,30,963 | Level 2 | Discounted cash flow at a discount rate that reflects the company's current borrowings rate at the end of reporting period |

The fair values of current debtors, cash & bank balances, loan to related party, security deposit to government department, current creditors and current borrowings and other financial liability are assumed to approximate their carrying amounts due to the short-term maturities of these assets and liabilities.

| Particulars | Carrying value | |
|---|-------------------------|-------------------------|
| | As at March 31, 2018 | As at March 31, 2017 |
| i) Financial assets - Current | | |
| Trade receivables | 18,89,55,035 | 11,92,34,696 |
| Cash and cash equivalents | 11,96,71,946 | 5,78,71,163 |
| Bank Balances | 11,69,01,157 | 12,95,14,016 |
| Loans | 12,74,27,037 | 23,29,15,464 |
| Other Financial assets | 12,94,190 | 15,14,876 |
| ii) Financial liabilities - Current | | |
| Trade payables | 76,98,90,930 | 60,10,57,748 |
| Borrowing | 49,56,77,601 | 49,13,65,254 |
| Other Financial liabilities (other than current maturity of loan) | 1,76,81,50,301 | 11,63,19,317 |

(ii) Valuation techniques used to determine Fair value

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following method and assumptions are used to estimate fair values:

The Carrying amounts of trade receivables, trade payables, short term borrowing, other financial assets/ liabilities, cash and cash equivalents, are considered to be their fair value, due to their short term nature.

Long term fixed-rate and variable-rate receivables / borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. For borrowing fair value is determined by using the discounted cash flow (DCF) method using discount rate that reflects the issuer's borrowings rate. Risk of non-performance for the company is considered to be insignificant in valuation.



Note 44 : FINANCIAL RISK MANAGEMENT

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company principal financial asset includes loan, trade and other receivables, and cash and short term deposits that arise directly from its operations.

The Company's activities are exposed to market risk, credit risk and liquidity risk.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regard to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of the fixed rate and floating rate financial instruments in its total portfolio.

(i) The exposure of group borrowings to interest rate changes at the end of reporting period are as follows:

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|--------------------------|-------------------------|-------------------------|
| Variable rate borrowings | 49,56,77,601 | 49,13,65,254 |
| Fixed rate borrowings | 5,19,47,44,958 | 4,76,78,70,181 |
| Total borrowings | 5,69,04,22,559 | 5,25,92,35,435 |

(ii) As at the end of reporting period, the company had the following variable rate borrowings and interest rate swap contracts outstanding:

| Particulars | Weighted average interest rate | As at March 31, 2018 | | Weighted average interest rate | As at March 31, 2017 | |
|--|-----------------------------------|----------------------|------------------|-----------------------------------|----------------------|------------------|
| | | Balance | % of total loans | | Balance | % of total loans |
| Cash Credit Limit | 13.93% | 49,56,77,601 | 8.71% | 13.93% | 49,13,65,254 | 9.34% |
| Net exposure to cash flow interest rate risk | | 49,56,77,601 | | | 49,13,65,254 | |

(iii) Sensitivity

Profit/loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

| Particulars | Increase/ Decrease in Basis Points | Impact on Profit before Tax | | | |
|-------------|---------------------------------------|-----------------------------|----------------|----------------|----------------|
| | | March 31, 2018 | March 31, 2017 | March 31, 2018 | March 31, 2017 |
| INR | +50 | | +50 | 24,78,388.01 | 24,56,826.27 |
| | -50 | | -50 | (24,78,388.01) | (24,56,826.27) |

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company does not operate internationally and as the Company has not obtained any foreign currency loans and also doesn't have any foreign currency trade payables and foreign receivables outstanding therefore, the company is not exposed to any foreign exchange risk.

(c) Price Risk

The company exposure to equity securities price risk arises from the investments held by company and classified in the balance sheet at fair value through profit and loss. The company does not have any investments at the current year end and previous year which are held for trading. Therefore no sensitivity is provided.

II. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the company uses other publicly available financial information and its own trading records to rate its major customers. The company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

The average credit period on sales of services & goods is 15-45 days.

No interest is charged on trade receivables.

Trade receivables may be analysed as follows:



| Age of receivables | As at March 31, 2018 | As at March 31, 2017 |
|----------------------------|-----------------------------|-------------------------|
| Within the credit period | | |
| 1-30 days past due | 5,93,24,797 | 2,77,91,515 |
| 31-60 days past due | 4,03,93,979 | 2,22,25,038 |
| 61-90 days past due | 1,97,60,708 | 1,14,91,332 |
| More than 90 days past due | 4,72,36,106 | 4,19,50,258 |
| Ageing | Expected credit loss | |
| Within the credit period | | |
| 1-30 days past due | - | - |
| 31-60 days past due | - | - |
| 61-90 days past due | - | - |
| More than 90 days past due | 28,54,669 | 36,45,378 |

Liquidity Risk

Liquidity risk is defined as the risk that company will not be able to settle or meet its obligation on time or at a reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company's management is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risk are overseen by senior management. Management monitors the company's net liquidity position through rolling, forecast on the basis of expected cash flows.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments:

| Particulars | Weighted average effective interest rate (%) | Within 1 year | 1-3 years | More than 3 years | Total | Carrying amount |
|-----------------------------|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| As at March 31, 2018 | | | | | | |
| Borrowings | 13.93% | 52,38,65,254 | 1,28,64,40,499 | 4,11,01,77,581 | 5,92,04,83,334 | 5,69,04,72,559 |
| Trade payables | | 76,98,90,930 | | | 76,98,90,930 | 76,98,90,930 |
| Other financial liabilities | | 1,76,81,50,301 | | 20,00,000 | 11,72,50,279 | 1,76,91,99,962 |
| Total | | 3,06,19,06,485 | 1,28,64,40,499 | 4,11,21,77,581 | 6,80,76,24,542 | 8,22,95,13,451 |
| As at March 31, 2017 | | | | | | |
| Borrowings | 13.93% | 52,38,65,254 | 58,25,00,000 | 4,27,67,23,236 | 5,38,30,88,490 | 5,25,92,35,435 |
| Trade payables | | 60,10,52,248 | | | 60,10,52,248 | 60,10,52,248 |
| Other financial liabilities | | 26,70,42,925 | | 20,00,000 | 26,90,42,925 | 26,79,73,888 |
| Total | | 1,39,19,60,427 | 58,25,00,000 | 4,27,87,23,236 | 6,25,31,83,663 | 6,12,82,61,571 |

